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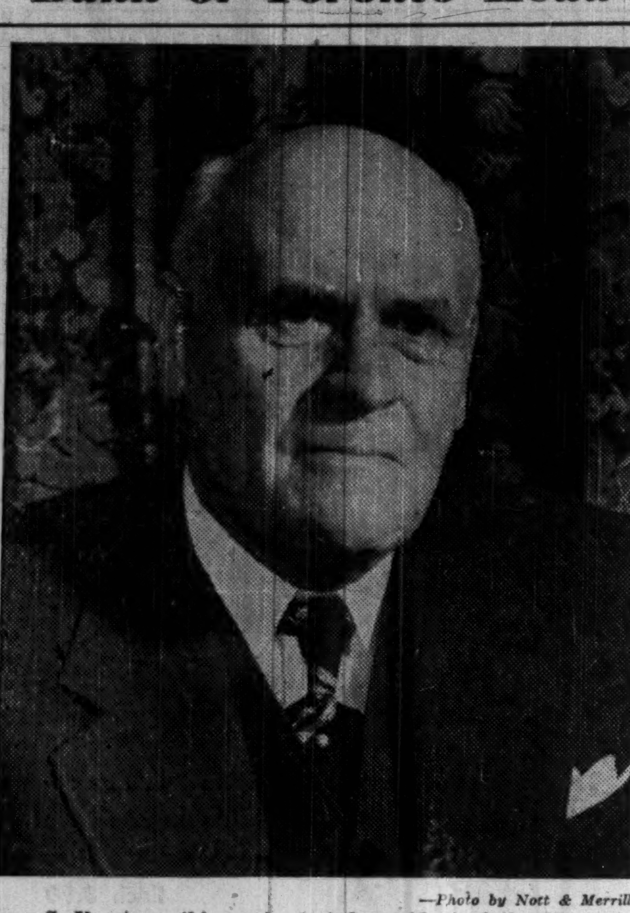
Bank of Toronto Head



—Photo by Nott & Merrill.

Byron S. Vanstone, this week elected president of the 95-year-old Bank of Toronto, heads an institution with 224 branches and assets of $487 millions. A lifetime banker, Mr. Vanstone was born at Tyrone, Ont., began his career with the Ontario Bank in Bowmanville in 1900, resigning six years later to join the Bank of Toronto. He was general manager from 1942 to 1948, since then a director and vice-president.

THE NATION'S BUSINESS

This Tax Ruling Will Scare Many

There will be widespread public concern over a recent ruling of the Income Tax appeal board.

John C. Cragg of Toronto was a full-time office employee at head office of a life insurance company. In his own time, however, he invested an inheritance in real estate and apparently made quite a few deals. Between May 1943 and January 1947 his profits were $61,000.

Cragg now finds himself liable for income tax on those gains, and, as one reporter put it, obviously mindful of what some taxman had told him. "The judgment is expected to have a beneficial effect on many Crown income tax applications which have been under dispute."

Thousands of Canadians who have occasionally traded real property and stocks and bonds will be asking what's happening to the principle that capital gains are not taxable where the gains come from an activity which is not the individual's main business.

What's to be the dividing line between how many real estate deals are to be acceptable and how many will get the taxpayer into subsequent trouble with the tax people?

And what about stock market operations? Cragg gets soaked for real estate successes. Are the taxmen going to look at stock market successes with an envious eye also?

Unfortunately, for the peace of mind of taxpayers, neither the tax law nor the record of litigation on it, are as clearcut about the nontaxability of capital gains as many people seem to think.

The law holds taxable all income produced by systematic business effort, regardless of a man's nominal or main occupation.

So the line between what capital gains are taxable and what not taxable has long been obscure and in heavy fog—and the record of litigation, especially in Great Britain, makes Ottawa's present ruling in the Cragg case no surprise to tax experts.

But if the principle of nontaxable capital gains has long been much less inviolate than Canadians generally believed, there will be considerable alarm over the Cragg case because it raises this question: Are the taxmen broadening their view of what capital gains should be taxed and are they narrowing their view of what capital gains are incidental?

Any weakening of the individual's right to make tax-free capital gains will merit public protest. That principle has and will serve Canada well.

* * *

'Canada Could Do Ten Times More'

It is now well over six months since the first shots were fired in Korea, shots that may yet prove to be the beginning of a third world war.

Since then we have heard a lot of what this means to Canada and the other democracies. There has been much talking, much planning. We have raised some extra troops, though as yet we have no more than one battalion of infantry in Korea ready to fight. A few pilot orders for munitions and other military equipment have been placed. There have been warnings of new taxes, some curtailment on credit buying, a few mild restrictions on nonessential capital expansion.

For most people, however, life goes on about the same.

Is this enough?

Speaking before the Canadian Club in Toronto this week, Rhys M. Sale, president of the Ford Motor Company of Canada, answered that question with a blunt, emphatic and very loud no.

> "What we have done since the outbreak of the Korean struggle, and what we are doing today, represent the minimum show of preparedness of which this nation is capable. We can do this much, and a lot more, without upsetting our comfortable lives or denting our lush economy.
>
> "Canada today has the soundest economy of any nation on earth. We have vast natural resources. We have an industrial plant that can be geared to at least twice the output attained at the peak of the Second World War. We have two million more people than we had in 1939.
>
> "We have the wherewithal for a defense effort 10 times greater than the puny program now without seriously crippling the nation's ability to provide a decent standard of living."

To make our present preparedness program adequate five specific steps were urged by Mr. Sale. Boiled down these were:

Immediate recruitment by "whatever means may prove necessary" of sufficient forces to defend this country adequately and meet our United Nations obligations.

Reserve training for all able bodied young men.

Suspension of further large scale government spending on new social security schemes and a general paring down of all nondefense government expenditures.

Immediate steps to boost defense supplies.

Immediate harnessing of all primary and secondary production facilities of the nation to increase output of everything we need now, or may need later, for a long war.

Hundreds of manufacturers throughout this country, asserted Mr. Sale, "who would like nothing better than to go their peaceful way" are ready to put their plants at the disposal of the government for defense work and sacrifice profits and sales.

Mr. Sale certainly has given Canadians and Parliament something to think about. His uncomfortable words are typical of what many Canadians have been thinking and saying.

He is not echoing the thoughtless and unrealistic demands that have been heard from some quarters, demands that would strip our vital factories and farms and gravely imperil production, merely to produce a mass conscript army, which we could not hope to train, let alone equip and supply.

Our job is to make the most effective contribution possible with our available and limited manpower (see page 17). Excited demands which take no account of that can only cause confusion.

Ottawa Now Facing Major Tax Dilemma

Government Pondering How to Curb Runaway Capital Expansion, Spending Boom and at Same Time Encourage Maximum Production

OTTAWA (Staff) — The Government is now facing one of the biggest tax dilemmas in fiscal history.

It is: how to curb a runaway capital expansion and spending boom and at the same time encourage maximum productive capacity.

At every level of government there is concern and alarm at the countrywide scramble for plant, equipment and materials. It is argued that here lies the real inflationary danger. To leave this untouched in favor of merely a tough tax policy towards "consumers" would be to miss the real core of the present danger.

On the other hand, greater production is clearly part of the answer to the present inflationary threat. If we could boost production sufficiently, we might create enough goods to absorb much of the present swollen purchasing power. And at our present or slightly higher tax rates, we could provide the turnover to pay for much of the impending defense bill.

The answer to this dilemma will be in Mr. Abbott's budget speech. It will doubtless be a compromise. There'll be higher consumer taxes, higher income taxes, higher corporate taxes and some form of tax or fiscal instrument to discourage all but the most essential construction projects.

Defense Requirements

The size of the 1951-52 budget will be dominated almost wholly by forthcoming requirements of the three armed services. All services are increasing and accelerating their demands. The only real limit will be the amount they can actually spend in the next fiscal year, as called for by present or projected programs.

Speaking generally, it is assumed that the rate of defense spend-

(Continued on page 3, col. 6)

Ottawa May 'Sharpen' NES But Labor Draft Unlikely

See "Why Ottawa Opposes Conscription Now."—p. 17.

OTTAWA (Staff) — Most likely government approach to manpower problems at the forthcoming session of Parliament will be a strengthening of authority to the far-flung National Employment Service.

It is unlikely that there will be any yielding to present demands for national registration or selective service draft.

It is argued here that the important difference between now and 1940, is that there is presently a powerful and effective National Employment Service operating through more than 100 offices and with a close tab on hundreds of thousands of workers.

Last year a million workers passed through this service. It is believed that by sharpening this tool, much can be done in 1951 to avoid the chaos and confusion that is almost certain to occur as manpower and material shortages develop.

Short of all-out mobilization, there would be no authority sought or given to "direct" men into or away from certain occupations. But it is believed here that N.E.S. can and will be made a more effective instrument for "direction by indirection" than is now the case.

Urge Speed

Meanwhile, beneath the solid front of the Government's refusal to consider national registration or compulsory training, there is a growing demand—within some of the services themselves for some move to greatly speed up mobilization machinery itself.

It is argued in some quarters that it might well take up to six months to get a proper registration and draft system into working order in the event of mobilization. It is charged that experience with the special force showed conclusively that our present machinery is wasteful and ill-equipped to handle any large inrush of recruits. The results, it is stated, are clearly seen in the high wastage rate since the special force was recruited. "We enlisted in haste," said one authority, "and we repent in leisure. That's not only wasteful of manpower but costly."

Thus the demand that we set to work at once to prepare for a national manpower registration — possibly through the reserve organization now in existence. It

(Continued on page 3, col. 6)

New Scarboro Plant For $40-Million Radar Order

OTTAWA (Staff)—$40 millions of Mk. 4 radar units for use with anti-aircraft guns will be made in a new $2.5 millions factory to be built in suburban Scarboro near Toronto.

The Post understands the plant will be built on a new industrial section, where Reeve O. E. Crockford announced a government plant to employ 1,500 would be built. The government has bought 12 acres.

The plant will be owned and operated by Canadian Arsenals, Ltd. The money for the new development will come from the arms aid appropriation of $300 millions voted at the special session of Parliament last fall.

This new contract is the first arms aid appropriation for new weapons—apart from the $60 millions which will be spent to replace U. K.-type equipment shipped by Canada to the Netherlands before Christmas. The $60 millions is the estimated cost of obtaining replacements from the United States.

There will be a further $60 millions transfer under this appropriation as soon as the American-type equipment is received. This will cover enough to equip a second division in Europe with surplus Canadian weapons.

In addition to the $40 millions radar contract, other weapons and armament orders are now being processed here for arms aid to Europe (The Financial Post, Jan. 13). Total amount of these orders will reach about $100 millions initially; are expected to exhaust the entire $300 millions commitment by March 31.

Polio Fund Has Its Troubles

Controversy Mounts as More Facts Emerge

By RONALD WILLIAMS

What's really behind the explosion over the Canadian "March of Dimes" campaign which broke in Toronto last week?

When you get down to brass tacks it's this:

Certain citizens, prominent in the medical and charitable world, are asking questions about the operation, need for and magnitude of the fund-raising campaign of The Canadian Foundation for Poliomyelitis.

The organization started two years ago. Two men were in the picture to start with:

One was Leo V. Trottier, whose interests include a mining syndicate and a Toronto weekly tabloid named TNT. He put up $8,000 to get the Foundation going.

Second is Horace Brown, former radio script writer, author and advertising man, himself a polio victim. He is now listed as founder and executive director.

Lawsuit Under Way

Trottier is currently suing Brown. The case is listed for the York County Court sittings February 5.

Trottier seeks 10% of Brown's earnings from the Foundation, says Brown agreed to this to compensate him when he (Trottier) resigned from the Foundation in 1949.

In his statement of claim, Trottier declares he decided to start "a foundation to benefit those suffering from infantile paralysis." He claims he secured copyright to the name Canadian Foundation for Infantile Paralysis and for the Canadian March of Dimes.

Since then the original name has been dropped. It implied affiliation with the United States Foundation for Infantile Paralysis.

For many it still does. At one time the Canadian group had the verbal permission of the U. S. March of Dimes head to regard itself as an affiliate.

Subsequently, the U. S. group changed its mind. They protested the use on the letterhead of the Canadian organization a seal similar to the U. S. group's "trademark" and also use of the statement: "Franklin D. Roosevelt, Founder."

Later the U. S. organization, by telegram, "objected" to the use here of the name: "Canadian Foundation For Infantile Paralysis."

Shortly after, Brown advised the U. S. organization that the name had been changed to the Canadian Foundation for Poliomyelitis.

In his claim, Trottier says he hired Brown at $50 a week to run the Polio fund, later raised his pay to $75, plus expenses. Trottier's office for a time was used as headquarters for the polio drive. He says he supplied all the office equipment, etc.

In February, 1949, Trottier says in his statement of claim, he decided to resign due to pressure of other business. As compensation, he says Brown agreed to pay him 10% of his, Brown's, full annual salary from the polio organization.

"The defendant," says the claim,

(Continued on page 3, col. 3)

PRICES

Hides took another jump this week, increasing 3c-4c per pound following the price increase of from 1½c-5c in the U. S. One Canadian dealer claims he "has no idea where the increases will stop." Increases are mainly due to shortness of supply and generally increased demand.

Coffee was increased 2c per lb. on pound packages and 3c per lb. on half-pound packages by leading manufacturers. This increase will be reflected directly by retail prices. This is third price increase since the December price cut.

Can prices for the 1951 canning season will be up about 12% as a direct result of higher cost of tin plate. This will have a direct bearing on price of canned foods packed this year.

Studebaker passenger-car prices in Canada have been increased from 3% to 5%. Cash increases range from a low of $65 to a high of $133, including taxes.

Shoe prices will rise shortly in the New England States — the barometer area for North American shoe price trends. Rising hide and leather prices are chiefly to blame.

Tin price very unsettled but generally upward. Early this week touched historical high of $1.90 a lb. At outbreak of Korean struggle stood at around 89c.

Television sets are on the upturn with one company after another announcing moderate-price hoists. Stromberg Carlson has just announced price advances of from $3 to $20 on four of its models.

New Defense Department But No WPTB?

OTTAWA (Staff)—A new department of defense supplies, probably headed by Trade Minister C. D. Howe, will be one of the major legislative developments at the coming parliamentary session.

It is expected that Mr. Howe's present deputy, Max MacKenzie will go with Mr. Howe to head up the new department.

Whether new official or ministerial blood will be brought in to administer Trade and Commerce isn't quite clear. This may happen eventually, almost certainly if war comes. But for the time being both men may continue to straddle both departments.

The new branch would be the counterpart of the wartime Department of Munitions and Supplies. As well, it would most likely include authority to administer the big arms-aid program for NATO countries.

At present, no one minister is responsible for administering the arms-aid program. At present, decisions are hammered out by a group of senior civil servants for presentation to the Cabinet Defense Committee, then to the full Cabinet.

No WPTB Next Time

Less certain is what's going to be done about control of civilian materials and supplies which might feel the impact of rearma-

(Continued on page 3, col. 2)

N. Z. Butter Sparks Debate On Import, Support Policies

OTTAWA (Staff) — Shades of the political past have rocked inner government councils in the past two weeks.

The subject of controversy is as old as Canadian politics: butter.

The new angle: a move by private firms to import New Zealand product.

The facts are simple: if we end up with a butter surplus in the spring, Mr. Gardiner will be under fire for using federal funds to support domestic prices — and for letting imports boost supplies and the amount of the subsidy.

Against that, it is argued hotly that to bar imports, flies in the face of our Geneva trade agreement and destroys the moral grounds on which we've protested U. S. attempts to bar our potato exports.

The political side of the argument is heightened by the fact that Mr. Gardiner has been acting Prime Minister for the past two weeks and that some of the strong men of the cabinet who might argue against banning imports, have been holidaying or absent on official business.

What's happened therefore has been a "delaying" action aimed to hold the Gardiner hand until such time as there is a full cabinet.

So far, all that's happened has been a decision that nothing be done to make any import ban retroactive. That means the 4.5 million pound shipment already negotiated by private interests will leave New Zealand this week, and arrive sometime next month. To date, therefore, the "holding" tactics of those who oppose the ban on butter imports have been successful.

Still ahead is a showdown on future imports.

That issue won't be decided now until the full Cabinet meets again this or next week.

To support his case, Mr. Gardiner has brought up the famous 1932 "cause celebre" which rocked this country's politics in that decade. That was the Bennett action which slashed the tariff from 12c to 5c a pound.

Study "Understanding"

Now revived is the so-called "understanding" of that period, namely that in consideration of the tariff slash, there would be no imports of butter into Canada without this country's consent.

The present tariff on butter from commonwealth countries is still 5c a pound. The general tariff is 12c. It's claimed that New Zealand butter can now enter Canada and sell at 55c or 56c after paying the tariff. The present pegged price is 57c.

Canada Is New Mecca For Big Iron Ore Rush

Canada's iron-ore rush took a vigorous spurt this week.

In Hamilton, H. G. Hilton, president of Steel Co. of Canada, announced that Stelco and four United States iron and steel firms were negotiating with Steep Rock to explore and for an option to lease certain Steep Rock properties (The Financial Post, Jan. 6).

This was the most important iron-ore news in Canada since the Labrador development. It not only now links Stelco with a Canadian source of iron ore but gives Steep Rock's expansion program a hefty boost.

The firms interested in the Steep Rock iron range have an iron ore consumption of 34 million tons.

In Montreal, announcement that the U. S. Government had approved a proposed $250 million steel plant in New England was welcomed as the best sort of news for two other major Canadian iron-ore developments: the Labrador-Quebec deposits of Iron Ore Co. of Canada and Newfoundland's Wabana Island properties of Dominion Steel and Coal Corp. Both would be the logical source if iron ore for the new mill.

And at Washington, President Truman has asked Congress once again to speed work on the St. Lawrence Seaway, a project of major importance to Labrador-Quebec iron mining. Reacting to this, Labrador M.&E. shares jumped from $6.25 to $8.30.

Steep Rock's Deal

The Steep Rock deal is believed to be very close to being closed.

Besides Stelco, it involves the following U. S. firms:

Bethlehem Steel Co.; Youngston Sheet & Tube Co.; Interlake Iron Corp.; and Pickands Mather & Co.

A similar announcement to Mr. Hilton's was made in Cleveland by Elton Hoyt II, senior partner of Pickands Mather & Co., which is conducting negotiations for the Canadian-U. S. group.

New "steels," along with Inland Steel which already has a Steep Rock option, between them have a total ore consumption of about 34 million tons.

Details Not Complete

Details of the agreement are still to be worked out, but Mr. Hoyt said that plans are going forward to begin a program of exploratory work in the near future.

No comment was forthcoming as to the scope of exploration, but it is known that Steep Rock Iron Mines would hardly entertain any deal which did not call for completion of a substantial work program.

Diamond drilling from the ice in the "D" area can be expected to start before long, it is understood. The property being optioned covers more than 1,000 acres and is in the general vicinity of property Inland Steel optioned from Steep Rock a year ago and is now exploring.

If sufficient ore should be proved, the company taking the lease will be managed by Pickands Mather & Co., Mr. Hoyt said. He declined to discuss tonnages but said it is hoped that the project will disclose deposits of some magnitude.

No statement has been made by Steep Rock so far, but President M. F. Fotheringham, when asked for comment, said:

"We welcome this strong group to the Steep Rock area. They have the resources, experience and the iron-ore consuming capacity required for a development of the magnitude contemplated."

Pickands Mather & Co. manages iron-ore mines on all six American iron ranges. Skilling's Weekly, in its Jan. 13 issue, reported 1950 deliveries from mines managed by this company

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Building Squeezed Watch Out—Ottawa

Ottawa Flashes Red Light Against Civilian Construction — Trouble-Shooter Appointed to Clear Unfinished Building Bottleneck.

By KENNETH R. WILSON

OTTAWA (Staff)—The Government has anticipated what may be its biggest 1951 bottleneck—unfinished building and construction—by appointing a trouble-shooter.

Donald C. Beam, chief engineer of the Canadian Institute of Steel Construction, was named to work with Steel Director Ken Harris on "steel requirements for construction and related problems." Mr. Beam is on loan from the Institute.

"Desperate," "horrible," "alarming," are some of the adjectives construction men are using to describe the current steel situation.

It's feared that even now, in all parts of Canada, there are hundreds of projects which were started in good faith but aren't going to be finished for lack of critical materials or supplies. As well, there's the gigantic impact of new proposed 1951 projects which have been hurried from blueprint stage in recent months to beat controls or inflation.

Representations on the construction steel problem were made to Ottawa as far back as August. Now Ottawa has acted—or is preparing to act. It's understood it may take on more engineering help besides Mr. Beam to tackle the problem.

Survey Goal

The survey is expected to cover end use specification of these situations:

(1) Tonnage placed but steel not delivered

(2) Orders on books, but steel can not be ordered from U. S. and Canadian mills.

Steel requirements, according to an unofficial estimate, will run about 250,000 tons for the next six months. Actually, this may be a low estimate. But the steel isn't coming through, whether it is structural shapes, bar size shapes or plate. Mills here and in the U. S. just aren't giving deliveries.

Right now, about all Ottawa can do is flash a big red light to business men telling them to look before they leap into any construction project.

There aren't any authoritative statistics on what's likely to be needed and what's likely to be short. That's one of the big question-marks Donald Beam will have to look at. There are some over-all tonnage figures which are pretty frightening. But nothing very specific in the detailed and complicated terms in which steel men talk.

Vast Expansion

It is known, for example, that in the last quarter of 1950 alone, Maclean Building Reports reported an unprecedented total of $930 millions of construction contracts awarded. The comparable figure in the same period last year was $280 millions.

It's also reported that 1951 estimates of capital expansion are mounting daily—could well soar to $4.5 or $5 billions for the year, if figures of what trade, industry and individuals would like to do, were taken at face value.

One of the biggest "unknowns" at the present time, is the likely impact of defense spending on the national economy.

Belatedly, there's an attempt now being made to see what the present $700 million of defense contracts awarded to date is likely to mean in jobs, in steel and other critical materials. Right now, no one knows the answer to

(Continued on page 3, col. 1)

Inside News

Manpower Outlook

Defense industries squeeze labor supply. Armed forces speed recruiting. What's the prospect for national registration, selective service, conscription? A special Post report on the manpower situation. (p. 17).

Managed Investment

Investment outlook is cloudy. What is wise policy for these uncertain days? Compare your moves with the six-year experience of the Compton, MacNab accounts. (p. 17).

What Kind of Controls?

Using the experience of World War II, what changes should be made in the type, application of controls—if and when they are needed. Representative Canadians give their opinions. The Question. (p. 15).

Hiring More Men?

How do you find the men you need for vacancies? How do you put them into the right spot? Valuable for every employer. (p. 25).

Toll Roads in Canada?

Are toll roads the answer to the highway problem in populated areas of Canada? The Post tells how the Penn Turnpike operates—what it does, what it costs. (p. 18).

Sherritt Deal Over a Hurdle

OTTAWA—According to advices form Washington, the U. S. Munitions Board has now given approval to tentative plans of Sherritt Gordon Mines which have the objective of placing the Lynn Lake nickel-copper properties in production.

The overall project is a large one, with marketing, finance and railway facilities to be arranged before the green lght is secured for the project.

Pace of Business

Electric energy output reached all-time high November of 4,447 million kwh., up 13.6% over November, 1949. Cumulative 11-month total 46,133 million kwh., up 8.2%.

Motor vehicles sales in November 32,880 valued at $71.7 millions, up 67% in number and 78% in value over November, 1949. B. C. greatest increase of 85%. Cumulative sales 398,031 valued at $814.8 millions (up 51%).

Security sales in October down from previous peak months, up from last year. Sales to all countries $63.7 millions ($175.4 millions September, $25.1 millions October, 1949); purchases $46.4 millions ($29.5 millions September, $21.3 millions October 1949). Sales balance with U. S.: $20.4 millions ($54.1 millions August), but six times average balance first half of year.

Department store sales up 3% December, with greatest rise—7%—in Quebec. Week ended January 6, sales increased 8%, gain in all provinces except Saskatchewan (down 8%).

Car loadings first week 1951 were 62,594, up 11.5% over 1950 and 8,259 cars over closing week last year.

Shipbuilding industry 1949: production valued at $75.6 millions, down 29% from 1948's $106.8 millions (wartime peak: $376.6 millions in 1943).

Butter production in December lower at 9.5 million lb. (11.6 last year). In 1950 cumulative output was 261.7 million lb. (278.7 million lb. 1949).

Margarine production 1950 up 27% to 94 million lb. (74 millions last year).

Gold production in October rose again to 377,000 oz. (367,000 1949). Cumulative 10-month output up 9% to 3.7 million oz. Preliminary estimate year 1950: 4.4 million oz. (4.1 in 1949).

Wheat supplies Dec. 1 were 348.3 million bu., up sharply from 1949 total of 247.7 million bu. Exports in period Aug.-Nov. down to 53.9 million bu. (70.7 millions last year).

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EATON'S

Outlook Turns Brighter For Trans. Resources

With Steep Rock shares selling above the $8 mark and progress made in financing new projects, Transcontinental Resources is working into a much-improved position, The Financial Post is informed.

A holding of over 350,000 Steep Rock Iron Mines shars alone is worth approximately $3 millions equivalent to about 86 cents a share on Transcontinental Resources' 3,455,007 issued shares.

Current success of underground work at Nisto Mines is of importance to T. R. which holds approximately 400,00 shares.

The picture at Nicholson Mines is working out far better than "the street" had anticipated. Recapitalization will be only on the basis of two new shares for three old and financing is arranged for the depth development program started recently. T. R. owns over 600,000 shares in this company.

Jellicoe Mines, controlled by T. R., has been revived recently and has been active financing Matico Mines in Barraute twp. with drilling to start very shortly.

Substantial new finances are understood to have been arranged for Isle of Pines Mining Co. which it is expected will finally put this company over the top.

In British Columbia, Transcontinental Resources expects to have a new base metal producer in Van Roi Consolidated Mines. A 100-ton concentrator is being installed.

Noland Mines in the Atlin district of B. C. has been successfully placed in profitable gold production, along with others, and outlook is for an extended period of profitable operation.

The company continues its interest in Bonneville Ltd. and a number of other older established projects.

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Cut in U. S. Newsprint Demand Seen Aid Overseas Freedom Fight — Fowler

MONTREAL (Staff) — With or without price and distribution controls in the United States, the U. S. is likely to have a shortage of newsprint in 1951. With controls, however, the U. S. will have "a much tighter position and a considerably smaller total supply."

That was the opinion expressed this week by Robert M. Fowler, president of the Newsprint Association of Canada, at a gathering in Buffalo of the New York State Publishers Association.

Said Fowler: "For what it is worth, I must warn you that, in my best judgment, any government controls over newsprint at this time will be ineffectual and will lose you supplies in material volume."

The NAC president also injected comments on another phase of the newsprint supply picture — comments which observers say may indicate some further reduction still in the amount of newsprint available on this continent.

Dealing with the shortage of newsprint overseas, he said: "I wonder if there is anyone in this room who would seriously argue that Canada and the U. S. would not be stronger if the rest of the non-Communist world, outside North America, had half a million or three quarters of a million tons more newsprint than it will have in 1951. Some of this kind of thinking — some measure of sacrifice — some practical action — may be needed before long if we really mean what we say about an all-out defense program."

Questioning the advisability of instituting newsprint controls, Mr. Fowler argued this way:

Production and distribution controls — Any U. S. limitation order would only work if there were matching legislation in Canada. If Canada passed such legislation which would tell the U. S. what it could have to feed its rationing system, many friendly countries would also want allocations from Canada and such supplies would have to come out of what's now going to the U. S.

Price ceilings — Would first require rationing system. If a fixed ceiling price were imposed, many marginal mills today selling at prices above the market would go out of production, and substantial quantities of imported newsprint from Europe would move to other markets.

Price freeze — Would be effective for U. S. mills but wouldn't bind Canadian producers. Would only limit what U. S. publishers could pay for newsprint. What would happen to the contracts? "In general the inability of the buyer through governmental action to pay the price stipulated by the seller would seem to relieve the seller from the obligation to supply."

While Canadian mills would undoubtedly seek to ship substantial tonnages across the border anyway, "they might be forced by cost factors to turn elsewhere for part of their sales to markets or to commodities that are not under such disabilities."

The U. S. Market

"I have on my desk a compilation totaling 400,000 tons of effective, urgent demand from overseas countries, and I am certain that this is by no means the full total . . . You can today sell the pulp content of a ton of newsprint in the U. S. market — can sell it as groundwood and sulphite pulp — for more than the newsprint itself and without the costs of finishing and wrapping." While not all newsprint production in Canada would or could be diverted in that way, "some could or might be — and the losses would be serious for you."

Without controls, it looks as though the U. S. will get about 2.2% below the estimated 6,050,000 tons it's expected to want in 1951. In the light of current conditions, with major shortages appearing in many other commodities, this didn't seem such a great problem, Mr. Fowler suggested. He pointed out that the U. S. in 1951 will get 2.4 million tons more than prewar; the rest of the world, 500,000 tons less.

Among U. S. and Canadian friends and allies now faced with serious shortages, he cited Great Britain where a 4-page paper seems imminent once more; India, Pakistan and Ceylon where 75,000 tons of newsprint has to serve 420 million people, despite economic and education advances. There are South and Central America where newsprint supplies are "by any test inadequate," and Western Germany and Japan where we are seeking to establish democratic processes.

To Strengthen Allies

"It is quite easy to show that most of these shortages overseas are the result of unwise policies by consumers overseas or their governments. They had contracts and they broke them or surrendered them. But when that logical proof is made, the fact still remains that these countries need more newsprint to be strong and informed allies in the world that exists today."

There are other threats to newsprint production and supply too, he pointed out. These include raw material shortages such as in sulphur, cut 20%.

"These are uncertain times and no one can foresee all the problems and complexities that may develop during the coming year as the mobilization of the United States and Canada develops. We can only look at the situation as it exists today. As it so exists, I refuse to believe that the problems of newsprint supply are beyond the solution of the men in the publishing and newsprint industries of Canada and the United States, without government aid or interference."

Announcing

Acadia-Atlantic Sugar Refineries (Halifax) — James A. Gairdner, president; R. Howard Webster and R. O. Bull, directors.

Anderson, Smith & Cairns (Montreal) — A. Collin Rayment, vice-president and managing director.

B.C. Pulp & Paper Co. (Vancouver) — Leslie Cleminson, general manager.

B.C. Telephone Co. (Vancouver)—Winfield S. Pipes, general manager.

Buntin Reid Paper Co. (Toronto) —Arthur Hobson, general sales manager.

Canadian National System (Montreal) — H. C. Greensides, assistant chief architect.

Canadian Life Underwriters (Toronto Chapter)—Mort L. Levy, chairman for 1951.

Fisheries Council of Canada (Ottawa)—C. Gordon O'Brien, manager.

Harry E. Foster Advertising (Toronto) — T. Gordon Dalglish, vice-president and secretary-treasurer.

Bank of Toronto—J. L. Carson, chairman of the Board; B. S. Vanstone, president; F. K. Morrow, vice-president; L. G. Gillett (general manager) a director and vice-president.

General Accident Assurance group (Toronto)—R. C. Borland, western supervisor.

Great-West Life Assurance Co., (Winnipeg) — Dr. Francis A. L. Mathewson, medical director.

Industrial Acceptance Corp. (Montreal) — K. J. Doig, secretary and assistant treasurer.

James Morrison Brass Co. (Toronto)—G. R. Gardner, vice-president and general manager.

Leader Electric Construction Co. —Maurice A. Cook, president and general manager.

Manufacturers Life Insurance Co. (Toronto) — Dr. D. J. Breithaupt, assistant medical officer.

Moirs Ltd. (Halifax)—George S. Moffatt, director and vice-president in charge of sales; Ernest Moir, director and vice-president in charge of production.

Northern Electric Co. (Vancouver) —T. C. Clarke, general sales manager; C. E. Woolgar, wire and cable manager of general sales division.

Provincial Bank (Montreal)—Hon. Elie Beauregard, chairman of the board; Hon. Es. L. Patenaude, honorary president; J. Edouard Labelle, president; Gaston Vincent (Ottawa), Calixte F. Savoie (Moncton) commissioner censors; J. U. Boyer, vice-president.

Royal Bank of Canada (Montreal) —Lionel A. Forsyth, director.

Rubinovich & Haskell (Montreal) —Eric Stocker, vice-president.

Underwriters Adjustment Bureau Ltd. (Montreal)—Charles N. Turner, general manager; V. O. Walsh, manager, casualty department; Harold W. Emo, general casualty adjuster.

Obituary

J. W. Glenwright formerly president and managing director, Commercial Life Assurance Co., at Toronto, Jan. 15.

What Will Be Next Move In Nat. Sewer Pipe Fight?

After a spirited two hour annual meeting last Saturday afternoon Class "A" shareholders of National Sewer Pipe Co. admitted that they were no further ahead. The meeting, probably the best attended yet but not as stormy as the previous one, was the fifth consecutive meeting at which the Class "A" shareholders have attempted to get a promise of some definite plan to eliminate Class "A" dividend arrears.

This year President Ryland H. New was aided in answering questions relating to the order by Leslie E. Blackwell, K.C. of the Toronto legal firm of Zimmerman, Blackwell & Haywood, solicitors for the company.

J. L. Stewart of Fraser, Beatty, Tucker, MacIntosh & Stewart, counsel for the Class "A" Shareholders' Protective Committee, led the questioning for the Class "A" shareholders. Some shareholders also participated.

Shareholders present heard four definite points established:

(1) The Company's refusal to allow an auditor appointed by the Provincial Secretary to audit its books, was on the legal advice of Zimmerman, Blackwell & Haywood. They had advised Mr. New that the Provincial Secretary had no right to make the order under the Act (Companies Information Act), that his procedure was not appropriate for discharging the judicial function vested in him and that the order was not enforceable.

(2) Mr. New sees "no reason for going contrary to the advice of our solicitors and I understand that advice is still not to permit the books to be made available under this order."

(3) The Protective Committee for Class "A" shareholders "will, in the light of what has been said today about this order, take such steps as it may consider desirable in the circumstances. As far as the committee is concerned, this order is not a dead order."

(4) Directors intend to proceed with erection of a new plant, estimated to cost about $1,400,000.

The New Plant

Regarding the new plant, Mr. New said:

"I am well aware that there are two conflicting points of view among those who at present hold shares in the company, and those holders who may have acquired their shares in recent years in the expectation of an immediate large distribution in cash or securities in the expectation of making a large non-taxable capital gain, will be disappointed. However, from the point of view of the company, and those who intend to continue as shareholders in the expectation that in due course our dividend problem will be solved by improved earnings, will be pleased . . .

"The property has been acquired, erection of the new plant is scheduled to commence in the spring. The new plant has been planned to embody the most recent and efficient methods of manufacture of the company's products, including labor saving and fuel saving equipment.

"It is anticipated that the proposed expenditures of $1,400,000 will provide plant and equipment which will produce as much or more than the existing plants of the company. It follows that this new production should be correspondingly more profitable than our present production. Directors have a reasonable optimism that the fact of bringing a new plant into production will be reflected in substantially improved earnings in the future, and thereby accelerate the solution of the company's dividend problem."

Mr. New referred to the company's liquid asset position. Cash $278,129; investments, $1,544,643; total of the two, $1,822,733. Deduct reserve for depreciation and depletion of $1,681,807 and that leaves $141,965.94.

Mr. New said: "the reserves for depreciation and depletion should be kept available and employed at the appropriate time for the purpose for which they were and are being set aside. Accordingly, the decision of your directors to employ the estimated $1,400,000 in modernizing and increasing the production facilities of the company is in line with sound policy as pursued by industrial management generally. It is the responsibility of the directors of this company, in the interests of not only the company but also of its shareholders, to have proper regard for the long-term efficiency of its operation. It is therefore, our intention to proceed with the new plant."

Mr. Stewart said that the proposed plant expansion would have the principal effect, so far as Class "A" shareholders were concerned, of converting liquid assets which are producing a substantial investment income into fixed assets with, at this stage, a problematical effect on earnings and asked for justification of the expenditure.

Mr. New replied that the action was going to be in the best interests of not only the Class "A" shareholders but also all shareholders.

Mr. Stewart said his committee held authorizations to represent over two thirds of the outstanding Class "A" shares.

The Audit Order

In reviewing the legislation covering appointment of a special auditor Mr. Blackwell said the nature of the complaints were not essentially a criticism of the auditing, but of the management and that the appropriate procedure was to go before the Supreme Court as provided in Section 109 of the Companies Act. He thought Mr. Stewart believed such action would fail or he would have taken it.

Mr. Blackwell read 12 questions which had been submitted to the company by the Protective Committee.

He said he had advised directors not to reply.

Some information was brought out at the meeting.

Mr. New said he has a small holding in Standard Clay Products and no direct personal holding in any other competitor.

If directors continue to pay 60c a share on account of arrears each quarter, it would be over 15 years before holders could expect the $36.60 of arrears paid off.

Directors considered it would be unwise to make a dividend distribution that would, in the case of reverses, prevent the continuation of regular dividends.

Payment of regular dividends was commenced earlier than an investment counsel had suggested.

Dividends may only be paid from earned surplus or else directors would be personally liable in case of liquidation in future years according to advice received by Mr. New.

Payments to directors and officers went up less than $5,000 in the past year and none of the increase went to Mr. New personally.

Mr. New considers Class "A" shareholders have proper representation on the present board of directors.

Directors were re-elected: Ryland H. New, president and general manager; Mrs. Helen Isabel New; Ryland J. New, vice-president; H. F. Dingledine, production manager; H. A. Hall, K.C., secretary-treasurer, and Thomas H. Roadhouse.

TCA Route to Link Paris and Montreal

MONTREAL (Staff) — Trans-Canada Air Lines has announced inauguration of Montreal to Paris flights, linking Canada and continental Europe for the first time by a Canadian air service. First flight is scheduled for April 1 and the initial schedule calls for one flight weekly until summer, when two flights a week will be made.

This will permit one carrier service between Paris and all the parts of Canada as well as major communities in the U. S. Flying time for the TCA North Stars, from Montreal to Paris via the United Kingdom, will be 15 hours.

Possible Split Of A-A Sugar Class A Shares

MONTREAL (Staff). Shareholders of Acadia-Atlantic Sugar Refineries Ltd. will vote at a special meeting Jan. 26 on a proposal to exchange the present class A shares on the basis of one new class A share and one new common share for each class A share now held.

The new class A shares are to carry a fixed cumulative preferential dividend of $1.20 per annum compared with $1 on the present class A. In lieu of the participating feature, class A shareholders are being asked to take new common shares which will give them 200,000 of the 600,000 common to be outstanding.

Purpose of the exchange, according to the directors' letter, is to redefine the provisions attaching to the shares in a way which will effect a definite separation of values.

Participating dividend payable on 1950 earnings is expected to be about $1 per class A share and will be paid to holders of record prior to the coming into effect of the proposed plan. (Normally participating dividend would be payable July 1).

Estimated earnings in 1950 are given as $1,050,000, equal to about $5 a share on the old common and 90 cents on the new, after deducting a reserve for inventory price decline of $240,000. Working capital was about $7 millions at the year end after making allowance for a $1 per share participating dividend on the present class A, directors state. This will be sufficient for the requirements of the business and permit early consideration of dividend payments on the new common, they say.

Present common shareholders, under the plan, will receive one new class A share and four new common shares for each common share now held (there are 100,000 outstanding now). Thus capitalization would consist of 300,000 new class A and 600,000 new common.

The letter to shareholders points out that full participating dividends have been paid on the class A shares since they were issued in 1945, although up to the present time no dividends have been paid on the common. The earnings which have accumulated and which were applicable for the payment of common dividends over this period, subject to certain conditions, amount to about $1,800,000.

Part of these earnings represent the amount of up to $1.00 per share which is allotted each year to the common stock before determining residue profits from which the class A share participating dividends are paid. Under the plan for exchanging the present shares, the earnings applicable to the existing common shares remain in the company and are available for use in operations or for distribution by way of dividends.

Company announced last week that James A. Gairdner has been elected president, succeeding Percy R. Gardiner, who continues as a director. Other new directors are R. Howard Webster and R. O. Bull, replacing P. Robinson, deceased and T. J. Dillon who has resigned.

Dom. Oilcloth Declares Extra 50c Dividend

MONTREAL (Staff) — An extra common dividend of 50c a share has been declared by Dominion Oilcloth & Linoleum Co., payable, along with the regular 40c per share quarterly dividend, on Jan. 31 to shareholders of record Jan. 18. This compares with 40c a share paid a year ago and boosts total common dividends paid out of earnings for the fiscal year ended Oct. 31, 1950, to $2.10, against $2 the previous year.

The company has stated that demand for linoleum and allied products continues very strong. It notes, however, that imports, chiefly from the United Kingdom, have been heavy, due to the low cost of British goods resulting from cheap labor and devaluation. This has made competition from this source severe. And the probability is noted that shipments from the U. S. will increase now that import restrictions have been relaxed. The industry's export trade, it is stated, has fallen to a very low level. The relationship between the pound sterling and the Canadian dollar is said to make Canadian prices prohibitive in foreign markets.

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ADVERTISING

Account Appointments, Plans And News of Personnel in the Canadian Advertising World

Walsh Advertising (Toronto) will widen McCormick's Ltd. advertising on a coast-to-coast basis. A Dominion-wide list of newspapers will be used plus bill-boards, trade papers and a half-hour radio show, the Gracie Fields - Bernie Braden Variety Show. Added emphasis will be placed on McCormick's newest biscuit, Very Thin Saltines.

* * *

McKim Advertising (Montreal) is now in its eighth year with the conservation of wildlife public service campaign for Carling Breweries. Basis of this year's campaign will be a series of questions and answers on little-known aspects of nature and wildlife. The same appeal will be combined with brand advertising in a stepped-up campaign using daily, weekly and week-end newspapers, national magazines and streetcar cards in Ontario and Quebec. Brand advertising for Carling's three ales will also run in hotel and tavern trade magazines.

* * *

J. Walter Thompson Co. (Toronto) will use a comparison of energy consumption of children and adults as the copy theme for a new Horlicks campaign in Toronto dailies. Horlicks also in "Barbara Brent's Buys and Whys" column in 26 Ontario newspapers, in Ontario drug chain advertising and in Kate Aitken's Toronto broadcasts.

* * *

"Life With Luigi" sponsored by Wm. Wrigley Jr. Co. went coast-to-coast this month on the Trans-Canada network Tuesday nights at 9 p.m. The company is continuing the "Cisco Kid" and Gene Autry programs. Advertising is directed by J. Walter Thompson (Toronto).

* * *

Stevenson & Scott Advertising (Montreal) annnounces the 100-mile International Dog Derby will be sponsored this year by Dr. Ballard Animal Food Co. The race carries $2,000 prize money and a trophy. Display advertising will be used in Ottawa dailies and race broadcast with spot announcements on Ottawa radio stations.

* * *

Walsh Advertising (Toronto) has launched an extensive consumer advertising campaign for Blue Top Brewing Co.

* * *

F. H. Hayhurst Advertising (Toronto) is releasing new institutional campaign for Brading Breweries featuring "Good Health — the Canadian Way." Selected Ontario daily and weekly newspapers will get 300-line ads.

* * *

Ronalds Advertising (Montreal) announces a 60% increase in Industrial Acceptance Corp. advertising budget to be spent on consumer trade and public relations advertising to appear in The Financial Post, Maclean's Magazine, Reader's Digest (French and English editions), Time and trade publications. The public relations series will deal with Canadian industrial development.

J. Walter Thompson Advertising has launched another all-product promotion for Lever Brothers with the offer of a clothespin apron and a dozen plastic clothespins for 50 cents and two box tops from any of these products: Rinso, New Lux, Surf, Sunlight, Lux Toilet Soap and Lifebuoy.

* * *

Ronalds Advertising is directing "Amos 'n' Andy" in Canada for Rexall Drug Co.

* * *

Heggie Advertising (Toronto) appointed for Brush (Canada) Ltd.; plans under way for this year's campaign.

* * *

O'Brien Advertising (Vancouver) announces Keystone Industries (Vancouver) have been appointed exclusive B. C. distributors for Stran Steel and Stran Steel Quonset Huts (Stran Steel of Canada).

* * *

Schneider, Cardon Advertising (Montreal) have reorganized with the following staff appointments: J. Gerald Gale, senior account executive and radio supervisor; Harry Lebrun, in charge French section and office management; Mai Ruth Vaughan, promotion, fashion and merchandise.

Newsprint Lack No Hardship, Senate Finds

MONTREAL (Staff) — Following a study by the staff of the Senate select committee on small business (The Financial Post, Oct. 24), another U. S. inquiry has come to a halt, temporarily at least.

The Senate committee placed the emphasis in its inquiry into the supply situation on the needs of small weeklies, found hardship existed in only "a relatively few more or less isolated instances." However, the committee said it would set up a subcommittee to look into the problem more closely if small newspapers appear likely to face "widespread distress" in the future.

Where there were hardships, the study indicated that it was because of lack of ordinary business prudence and foresight: inadequate credit facilities; recent changes in source of supply, creating "new customer" status; desire to increase press runs because of higher circulation and advertising.

The report suggested Canadian newsprint price increases were possibly in anticipation of possible U. S. price controls, and that despite Canadian statements attributing them to higher costs, "the reported profit position of many paper mills reflects a wholesome condition in the industry."

Construction Bottleneck

(Continued from page 1)

this elementary but basic question.

Thus, there isn't presently any clear idea of what kind of further controls are needed; won't likely be until a little more factual information is thrown up.

One thing likely is that the government will move in the next Parliamentary session to get more "end use" controls.

That's something that's presently under very close review.

At present, Mr. Howe can control flow of steel or other critical materials at the primary end. He can (and does) order steel mills or other producers not to roll or sell steel for non-essential buildings like bowling alleys.

But beyond that, it is clear that present "end use" controls are largely lacking. There's no way of saying "you can't build this" or telling some one else "you can't buy that."

Some estimate that it will take two months for Mr. Beam to prepare his report. Not till then can definite action on end uses of steel be expected.

Interpreting Orders

Now, confusion enters the interpreting of government orders on steel use. In one case, The Post was told, a man got a permit for steel used to make theatre seats. Then when the fabricators applied for a permit to draw steel to replace that used for seats they were refused.

The key question, according to one construction man, is, "Does a large contractor need a blanket order on all steel from the steel controller, or does he need an OK on every item that goes into a particular building?" If the latter, then subcontractors would take over responsibility — and some items might be approved while other items for the same building were not.

"Pipe is in very short supply," F. W. Purdy, president of Purdy-Mansell Co., mechanical trades subcontractors, told The Post. "Quotes on lapweld (steel) pipe have been cut 50% as of the first week in January."

Wire Rope Scarce

Steel wire rope may become very scarce if Canadian manufacturers have too much difficulty getting deliveries of steel wire from the U. S. and the United Kingdom, The Post was told. Most of the steel wire used is imported. Steel wire rope is important to construction work, logging, mining, shipping, oil well drilling, etc.

Hardware & Metal (Maclean-Hunter), reports that though demand kept draining away nails so fast, stocks couldn't be built, it wasn't felt steel shortages had yet cut over-all sales volume.

Working through of the material shortage may take a fair length of time.

W. F. Holding, president of General Steel Wares, told The Post he expected his own company's production to be "satisfactory" during the first quarter. After that, it would be a question of steel allocations made by Ottawa and what share of U. S. steel mill production Canada could get above present quotas.

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New Defense Department

(Continued from page 1)

ment. It's almost a foregone conclusion that there will be no Wartime Prices and Trade Board, as such, next time.

The basic weakness of this device was that the head of the board reported to Cabinet only through a minister. The civilian side of the economy, so far as prices and supplies were concerned, did not have first-hand cabinet representation.

Next time, the responsible head of the civilian side of the economy will be a cabinet minister. Whether there will be one minister for both war production and civilian needs, is still being debated.

Best thinking here inclines to the view that one minister could handle both jobs for the time being or as long as our effort falls short of total war. But there is strong, though not unanimous support, for having civilian matters under an entirely separate ministry in the event of all-out mobilization.

Some To Disappear

Creation of a new department of defense supplies may also result in the disappearance of a number of peacetime bodies such as the Industrial Defense Committee, which were set up under very different circumstances.

Whether the topflight industrialists will be brought in as in the United States is also another imponderable.

To date there's been a disposition to avoid drafting "big names" until a greater need is proven. This is criticized however, as giving the whole Canadian effort a considerable reduced sense of drive and urgency than the U. S. However, it may also mean we are making fewer mistakes, or profiting by the false starts of our neighbors to the south.

One of the responsibilities of the new department would be the whole question of stockpiling strategic materials, infantry, etc.

At present, moneys are being used from the arms-aid appropriation to cover cost of materials needed in process of manufacture. This is a revolving fund. It is also reported that the Government plans an additional $10 millions appropriation for stockpiling defense textile on a revolving fund basis.

Interest Keen In Iron Ore

(Continued from page 1)

aggregated 12,775,099 gross tons in 1950.

As for the Labrador, Wabana development—

Reports are that the mill, long pushed by interests in the New England area, will be built by the New England Steel Development Corp. and that negotiations for RFC financing are under way. It would be built in the New London-Waterford area of Connecticut and would have a capacity of one million ingot tons annually. It takes roughly two tons of iron ore to make a ton of steel; this could be an important market for somebody.

Reports from the U. S. state that backers of the project have urged that iron ore could be brought cheaply by water from the Labrador fields, after they come into production in 1955. And about a year ago, when plans for a New England mill were being formulated, Dosco was approached as to the possibility of securing ore from Wabana. Dosco officials have declined comment on the possibility that these negotiations may have now been reopened.

Another new market for the Labrador ore is the new plant that, it's reported, will be built by National Steel Corp. in New Jersey. National Steel Corp., one of the five American steel companies associated with the Canadian interests in the Labrador development, has announced that iron for the new plant will be brought by ocean-going carriers from the Quebec-Labrador field.

CITY OF KITCHENER $1,471,600 issue 2¾% and 3% debentures listed and tenders called for. Debentures are due Dec. 1, 1951-65, $1,150,000 and Dec. 15, 1951-60, $321,600. Proceeds for construction of auditorium, local improvements and construction of electrical lines.

Polio Fund Has Its Troubles

(Continued from page 1)

"has failed to pay the plaintiff . . . and has continued to refuse to pay . . . upon demand . . ."

Brown has declined to state what his salary is now. He says it is under $10,000, plus expenses.

In his statement of defense, Brown denies all the allegations but he admits that Trottier did put up the money to start the Foundation and pay him his salary and expenses. But he puts in a counterclaim for $1,200 for "services rendered."

Brown's statement says Trottier resigned at the suggestion of himself and others, and says Trottier is not entitled to an accounting of monies taken in by the Foundation.

Other Developments

Having no bearing on the issues involved in the Trottier-Brown court action are a series of developments which followed the launching of the polio fund's 1951 campaign and the initial public criticism by Dr. Gordon Bates, director of the Health League of Canada, and two leading medical men, Dr. Alan Brown, physician-in-chief of the Hospital for Sick Children and Dr. Arthur Kelly, secretary of the Ontario Medical Association.

They based their criticism on:

(a) the size of the 1951 objective first reported to be $2 million; later officially put at $750,000;

(b) on the need for this money in view of money available for polio victims from other existing organizations, from government, etc.

Not knowing what was really behind it all, the public, already confused and restless over the increasing number of appeals, was confused still more.

To many, the conflicting doctors' opinions looked like a squabble in the good-works family over the split of the charitable dollar.

But at least two large advertisers postponed March of Dimes appeals which they had written into their newspaper advertisements. One firm held up employee-canvassing lists.

The Fund Report

Sober examination brought these facts to light.

To Nov. 30, 1950, the polio fund had collected, according to its accounts, some $289,000.

Of that sum, some $75,896 had gone for aid to polio victims, polio research projects, etc.

At Nov. 30, the fund had $72,000 on hand and it had by the end of 1950, made further appropriations for similar purposes yet to be spent totaling around $77,500.

Balance of the income, about $140,000, was, according to the fund report, used for organizational, operating, campaign expenses, etc.

Major John Inwood, the fund's comptroller explains the size of the expenses by saying, "We are setting up a $10 million organization and you can't do it for nothing."

The Post is informed that at one time Brown approached three Toronto hospitals — Sick Children's, East General and Mount Sinai — with a proposal that an arrangement be made between himself and one of these hospitals whereby the hospital would be chief beneficiary of his fund-raising activities. All three Toronto hospitals rejected the plan.

A group of Winnipeg citizens who had been asked by Brown to organize a chapter of the Polio Foundation have delayed pending receipt of answers to certain specific questions about the operation of the organization and disposition of funds.

No Federal Charter

The Polio fund group has tried for but has been refused membership in the Canadian Conference of National Voluntary Associations, which includes most of the established charitable organizations and is headed by R. E. G. Davis, chairman of the Welfare Council of Canada.

The Polio Foundation sought but has not been granted a federal charter. Whether they have one or not doesn't stop them raising money; but a charter has come to be widely regarded as a symbol of government endorsation, hence, is much sought after.

At least two of the more prominent members of the Foundation's Board of Directors have resigned: Sir Ellsworth Flavelle and Senator Cairine Wilson. Brown says Sir Ellsworth resigned for reasons of ill-health. Sir Ellsworth says: "For health and other reasons."

The Polio Foundation uproar probably brought nearer the creation of some national clearing-house which would pass on all money-raising schemes which seek public support.

Now anybody can go after the public's money for anything.

In a free society, most people would like to keep it that way; above all to protect the individual's right to put up his dollar for any cause which attracts him.

But there is only so much charity money to go around. And in the present complexity of affairs, with dozens of societies and the various governments engaged in a wide variety of charitable good-works, the feeling is growing that some control to give the public guidance on its charitable expenditures is desirable.

Last week, the Canadian Community Chests named a committee of five to meet with other national health and welfare organizations.

The objective: to bring some order out of the growing chaos caused by multiplicity of campaigns and overlapping services. (The Polio Foundation, for example, overlaps Crippled Children Societies, Paraplegic and research already under way.)

Polio Fund Finances

Following is a summary of the receipts and payments of the Polio organization covering the period July 8, 1948 - Nov. 30, 1950, as taken from The Foundation's audited statement:

Receipts:		
Organizing Fund		$22,836.95
National Drive 1950		264,209.55
National Drive 1951		874.52
Interest on Investments		1,181.50
		$289,102.52
Payments:		
Organ., campaign & adm. exp. (see breakdown below)	$141,459.87	
Polio Aid (see below)	74,675.70	216,135.57
Balance at Nov. 30, 1950		$72,966.95

Total expenses—administration, organization and campaign—are taken from the Fund's latest statement:

From July 8, 1948 to Feb. 2, 1949	
Administration, Organization	*8,079.63
Furniture & Equipment	*231.50
From Feb. 3, 1949 to Mar. 31, 1950	
Administration & Organization	26,858.13
Organization Fund	10,874.46
National Drive, 1950	30,034.02
Furniture & Equipment	3,783.98
From Apr. 1 to Nov. 30, 1950	
Administration & Organization	31,520.55
National Drive, 1950	2,061.58
National Drive, 1951	9,921.50
Furniture & Equipment	3,045.21
Trailer Purchased	2,365.00
Exhibitions, Trailer Expenses	1,651.90
Loans to Provincial Chapters	10,100.00
Public Relations	932.41
	141,459.87

*Advanced by L. V. Trottier.

Following is a summary of payments made for direct and indirect polio aid:

To Provincial Chapters of the Foundation	$21,320.50
Grants to Provinces	6,500.00
Crippled Children Societies	17,500.00
Crippled Civilians	1,500.00
Post-Polio Cases	14,159.55
Halifax Children's Hospital	2,500.00
Florence Francoeur, Ste-Justine Hospital, Montreal	1,500.00
Toronto Lakeshore Swimming Club	300.00
Research	5,000.00
Fellowship & Scholarships	6,217.46
Admin., Travel & Publicity	5,396.98
Total to Dec. 31, 1950	$75,896.49
Less: Dec., 1950, charges	1,220.79
Total Net to Nov. 30, 1950	$74,675.70

Crippled Children societies have been looking after post-polio rehabilitation for years. Most provincial governments assume the cost of polio hospitalization.

Polio research is under way at the University of Toronto. Funds for this can be obtained from the U. S. Foundation for Infantile Paralysis. This U. S. fund also finances an intensive research program in the U. S. Results of any and all research will naturally be available to all.

Yardstick Wanted

The Community Chests want to establish some sort of yardstick to measure the need for certain services and to put organizations in their proper perspective in relation to the need they profess to serve and to other groups.

To this end, they called for creation of a National Health and Welfare Appeals Committee with local counterparts all over the country.

Presumably, they would be similar to one already existing in Winnipeg. This is believed to be the only "givers guide" of its kind in Canada, although there is a national organization like it in the U. S.

Winnipeg's charity watchdog is called the Civic Charities Endorsement Bureau. It was formed in 1913 and is composed of nine citizens. It operates under the Provincial Hospital Act and requires that all groups seeking money from the public must have a permit to solicit money in Winnipeg.

The Polio fund has started a mail campaign, according to Winnipeg's Bureau Secretary Ethel Saunders. This it is claimed brings the drive under Bureau jurisdiction. Like the Red Cross and others, it has to be licensed and have a permit. Application forms were sent to the Polio Foundation people but at the week end they hadn't been received in Winnipeg.

Drive Unauthorized

For the time being at least, solicitation by the Polio Foundation in Winnipeg is unauthorized. Should the Polio people return the forms, they may yet, of course, get a permit.

Winnipeg has been looking into the Polio fund situation for some time. Last fall, polio chief Brown went there to establish a chapter. Provincial Health Minister Schultz appointed a committee of enquiry.

One of Manitoba's leading medical men, Dr. H. B. Chown of the Children's Hospital, was a member of the Committee. With Judge Milton George, he went to Toronto and sat in with the Foundation's Board.

When questioned by The Post, Dr. Chown said: "There is no chapter of the Polio Foundation in Winnipeg or Manitoba. We have taken the position that, as presently organized, there is no place for the Foundation here."

Health League Editorial

Herewith an editorial in Health magazine, organ of the Health League of Canada, which refers to the current polio fund drive.

Some months ago this magazine wrote an editorial commending The Financial Post for an article bringing into relief the problem of the variety of financial appeals for money on behalf of Voluntary Associations. Health commended The Financial Post for its stand.

The Financial Post mentioned specifically various organizations, one of which was the Canadian Foundation for Poliomyelitis and as a result of that article many people have wondered whether a Canadian March of Dimes is necessary or desirable.

The famous Gunn-Platt Report issued by a committee financed by the Rockefeller Foundation questioned whether the intensive appeal and the extensive organization against poliomyelitis in the United States was justified. The report points out that in the epidemic of 1944, next to the worst, 19,000 cases were reported with a mortality of 5%. In other words, about 900 deaths. By contrast there are 165,000 deaths from cancer annually in the United States. Similar figures would apply in Canada. As a matter of fact if we desire to consider such a disease as whooping cough, in Canada over a period of five years there were 69,740 cases as compared with 7,480 from poliomyelitis and 1,819 deaths as compared to 427 from poliomyelitis.

Big Objective

Press reports state that the Canadian Foundation for Poliomyelitis have in mind the raising of very large sums of money in Canada for what is considered by public health people a comparatively minor item in the list of diseases about which we should be concerned. One objective quoted for this year is $750,000. But with the emotional appeal involved, a take of over a million dollars is not unlikely. No person ever heard of raising funds to combat whooping cough, yet we are asked to consider it reasonable to raise these more than substantial sums of money from the Canadian public for a disease which is much less serious than whooping cough.

Following up the articles by The Financial Post, this magazine would like to ask the sponsors of the Canadian March of Dimes some questions which appear to be pertinent. These might include:

Has the organized medical profession of Canada, generally alert to the seriousness of problems of preventive medicine, given any expression whatever to a need for raising vast sums of money to attack poliomyelitis?

Has the organized medical profession been asked its opinion as to any such project?

In view of the existence of other organizations in the field and the availability of government funds on a comparatively larger scale than in the United States, how are the large sums of money to be raised to be spent?

It is known that in the United States, money is available for the care and treatment of poliomyelitis cases but it is not available for a number of other diseases which are just as serious and more serious. Is this same situation to develop in Canada?

The sentimental appeal in favor of the crippled child is likely to induce an emotional response from the Canadian public. Is it reasonable or fair that any organized group should play on the emotions of the parents of this country in order to induce the giving of money, until these questions are adequately answered?

It is the opinion of this magazine that the present appeal of the Canadian March of Dimes for the vast sums of money which have been discussed as a reasonable objective may not be justified.

Furthermore it is our opinion that no national appeal of this type should be made unless with the unqualified endorsation, certainly of the organized medical profession and of those groups of persons cognizant of the health needs of the country.

Dr. Brown's Statement

Dr. Alan Brown, speaking with reference to the current March of Dimes campaign issued a statement to Health magazine as follows:

"The Physician-in-Chief of the Hospital for Sick Children from his 37 years of experience in children's diseases, is firmly convinced that money collected in large amounts would be much better applied to research work in projects devoted to infinitely more important diseases than mere crippling diseases in childhood, namely, cancer, tuberculosis, leukemia, spastics, accidents, better nutrition and education of the public in the principles and purchasing and use of proper foods and preventive elements.

"Efforts directed along these lines would derive much greater dividends than by applying funds to the problem of polioymelitis."

Look For It Here

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Labor Draft Not Likely

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is argued that this would save a great deal of what might be precious time, and give a better picture of the health and position of eligible manpower for the services. It would be the basis for any directional regulations or for any training program that might be required, even if all-out mobilization does not occur.

One rebuttal to this is to state there will be a national census in June. Why go to the expense of a duplicate effort merely to save a few months?

To counter this, The Post is informed that while the census will be excellent for occupations it will be of no use as a means of national registration.

In 1940, these two functions were confused — and with lamentable results. We tried to get a card index system of every Canadian and at the same time information as to his occupation; whether he could milk a cow, etc. The expert view seems to be that these two things should not be confused. The census is ideal as an occupational report — and results for the entire nation could be ready by the year end. But its reports as to individuals are secrets; cannot be disclosed by law. Therefore it is unsuited to a national registration to keep tab on individuals.

Despite this intensive controversy — fanned by recent action of the legion and the defense associations — it is unlikely that any steps will be taken in the near future, short of some enlargement of the authority of N.E.S. That's all the present manpower situation seems to call for, in the composite official view.

CHAS. T. HOARE

A. E. LePage announces the appointment of Chas. T. Hoare as Manager of his Commercial and Industrial Department. Mr. Hoare was formerly connected with H. H. Williams in the purchase of Sir John Eaton's mystery block on Yonge Street, and during the war was Co-ordinator of Fuel Oil and latterly in charge of Products Distribution and Marketing Outlets for British-American Oil Company. He is Past Commodore of the Toronto Canoe Club and Canadian Canoe Association.

Govt. Faces Tax Dilemma

(Continued from page 1)

ing in 1951-52 will be approximately double what it was in 1950-51. This is inclusive of arms aid.

For this year, it is calculated that defense costs will be approximately $790 millions. That includes $567 millions in official defense estimates; $120 millions for married quarters, airports, construction and other items properly attributable to defense, but charged presently to other departments; $100 millions for arms-aid.

For next year it is now assumed that the services' programs will be double this, or of the order of $1.5 billion.

How Fast Can We Spend?

How much of this will appear in the 1950-51 estimates will depend on how fast this money can actually be spent. This is the line which was used pretty successfully in the last war.

It will be remembered that for several years, the Government budgeted a certain sum of money for national defense but told the Department (and the taxpayers) that the sum would and could be exceeded if it was found that money could be spent faster than provided for in the budget.

In at least two instances, treasury experts were much more accurate than the services themselves. To the surprise of defense officials, treasury estimate turned out to be much more accurate than the service figure.

What have we spent or committed so far? From April 1, 1950 to the end of December, according to official figures released at the week-end, $700 millions for armed service procurement.

This is broken down as follows: aircraft $330 millions; ships $96 millions; radar and wireless equipment $50 millions; clothing and textiles $35 millions; motor vehicles $50 millions; armament (largely naval guns) $26 millions; construction $113 millions.

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INVESTMENTS THIS WEEK

Textile & Milling Stocks Show Best Gain Since Nov.

Canadian and U. S. stock markets were forging ahead into new high ground last week and early this week. This mid-week the Toronto Stock Exchange industrials index was over 48% above its 1946 high, the Montreal Stock Exchange industrials index over 41% above its 1946 high and the Dow-Jones industrials average over 13.7% higher than its 1946 top.

More and more investors are beginning to believe that the present action of the stock market indicates we are in a bull market. Chief motivating force behind the upward movement appears to be fear of inflation. Investors, concerned with the diminishing value of the dollar, are converting their cash and fixed income securities into equities. One broker summed it up this week by saying, "People are now afraid not to buy stocks."

There does not seem to be any conclusive evidence that the existing rise—which has carried the Dow-Jones industrial average up over 52% since it started in June 1949—has reached a point of culmination, according to analysts. There are said to be signs, however, that the movement is broadening out.

Stocks are still regarded as reasonably priced in terms of earnings, yields and asset values, despite the substantial advance.

However, on the other hand, certain bearish factors are recognized as being present which could affect the market in the immediate future. Chief among these are the possible government action on income taxes, both corporate and personal, and restrictions on credit. The very fact that the market rise is now in its twentieth month is pointed to by some analysts as an indication that there should be a corrective action in the not too distant future.

A major factor of uncertainty in the whole picture is Russia. While Korean events and potentialities have likely been taken into account by the market, new Russian moves in Europe or elsewhere could have an upsetting effect. Analysts do not agree on just what the effect might be if these moves resulted in an all-out war.

Selectivity evident in the stock markets for some time is continuing a predominant factor. Currently the stress is on companies expected to benefit from defense contracts or else those which may not get hit too hard if there should be an excess profits tax.

The wide variation shown in the movements of the different stock groups on the Canadian stock market illustrates the influence of the selectivity factor. Although Canadian stock prices generally are 10.2% higher than at the beginning of December and 15.5% higher than their June 22 (just pre-Korea level) as measured by the Dominion Bureau of Statistics index of 100 common stocks, some stock groups show a much better record than others.

Heading the market action in the past seven weeks has been the textiles and clothing stocks. It also shows the second best percentage gain since last June. Second best percentage increase since November is shown by the milling stocks. Both these groups had been market laggards up till the Korean outbreak.

Biggest gain from its pre-Korea level is shown by the machinery and equipment stock group whose index is 40.5% higher than its June 22 level. This group showed the fourth best percentage advance over the last seven weeks.

The building materials stock group showed the third best percentage advance from its pre-Korea level and also in the past seven weeks, with its index up 31% from its June 22 level and 18.9% from its Nov. 30, 1950 level.

Altogether seven of the groups—textiles and clothing, milling, building materials, machinery and equipment, transportation, industrial mines and oils—show a better than average gain since Nov. 30, 1950. The others show a poorer than average gain but all show some gain in that period. Only one group—telephone and telegraph stocks—shows a decline from its pre-Korea level.

Movement of the DBS price indices since Nov. 30 and also since June 22, 1950 shows as follows:

D.B.S. PRICE INDICES

Group	Jan. 11	Nov. 30	Change Since Nov. 30 1950	June 22	Change Since June 22, 1950
Mach. & Equip.	408.0	349.8	16.64	290.4	40.50
Pulp & Paper	475.3	435.3	9.19	367.7	29.26
Milling	107.2	89.5	19.77	86.7	23.64
Oils	107.5	97.0	10.82	99.0	8.58
Textiles & Clothing	366.4	303.2	20.84	262.6	39.53
Food & Allied Prod.	125.3	123.1	1.79	125.3	....
Beverages	433.9	408.0	6.35	393.3	10.32
Building Mater.	244.9	206.0	18.88	187.0	30.96
Ind. Mines	119.5	107.1	11.58	97.1	23.06
Utilities	147.5	135.2	9.10	139.0	6.12
Transportation	265.2	229.1	15.76	216.9	22.27
Telephone & Telegraph	102.6	101.3	1.28	107.9	4.91
Power & Traction	133.5	122.5	8.98	131.2	1.75
Banks	156.7	152.8	2.55	150.5	4.12
Total	155.2	140.8	10.23	134.3	15.56

* * *

Wood, Alexander & James Holders Respond to Offer

Holders of over 93% of the common shares and of practically all of the first preferred shares of Wood, Alexander & James, Ltd., Hamilton wholesale hardware firm, have accepted the offer of Harrison & Co. and associates to purchase their stock at $125 a first preferred share and at $15 a common share, The Financial Post is told.

Although no formal extension of the offer has been made, Harrison & Co. are continuing for the time being to take both first preferred and common shares offered.

* * *

Robinson Cotton Mills Has Now Applied For S.L.P.

There is no foundation for the reports in financial circles that Robinson Cotton Mills Ltd. will not proceed with its action to capitalize undistributed income on hand in accordance with Section 95 (A) of the Income Tax Act, President and Managing Director W. W. Robinson tells The Financial Post.

The 15% tax has already been paid to the Income Tax Department and the company has applied for supplementary letters patent to create the new preferred shares authorized by shareholders at the Dec. 27, 1950 meeting, Mr. Robinson says.

* * *

Expect Offer of Securities Of Brookfield Ice Cream

First public participation in a 26-year-old Newfoundland company, Brookfield Ice Cream Ltd., St. John's, is expected shortly. An issue of $200,000 4% first mortgage serial bonds due 1952-59 has been placed privately and $150,000 5½% cumulative preference shares, $20 par, will be offered to the public at par in the next short while through Gairdner & Co., The Post understands. The Brookfield company, largest of its type in Canada's tenth province, operates plants at St. John's and Corner Brook and distributes ice cream and fluid milk throughout the island.

CNR Order Raises Costs To $56 Millions

MONTREAL (Staff) — A new order for 40 steel framed boxcars has been placed by the Canadian National Railway with Eastern Car Co., Trenton, N.S. This new contract, it is stated, boosts the total cost of new equipment on order by the railway to $56 millions.

The cars, which are destined for service on CN's Newfoundland lines, will have a capacity of 30 tons and 2,181 cu. ft. They'll be equipped with metal running boards and the cast steel trucks will have brake beam safety ledges.

CHIMO GOLD MINES reports that by agreement of Jan. 11, Donald Johnston of Newtonbrook, Ont. underwrote 100,000 shares at 25c a share, payable half cash and balance in one month, and received option on 100,000 shares at the same price exercisable in two months. Upon issue of the underwritten shares, issued capital will be 2,076,086 shares, leaving 1,423,914 shares in treasury.

Asks Widening Trustee Acts Invest. Powers

"The time is overdue when our various provincial Trustee Acts should be amended so as to widen the range of securities in which trust funds may be invested. Our legislation on the subject is antiquated and outdated," T. D'Arcy Leonard, K.C., president and general manager of Canada Permanent Trust Co., said at the company's annual meeting this week.

Mr. Leonard suggested for consideration that a trustee might be authorized to invest up to one third of a trust fund in selected classifications of corporation bonds and preferred and common stocks with well-established dividend records.

"Such an amendment would place trustees in a position of greater responsibility in deciding what securities to choose from this wider list. They would have to act in a careful and prudent manner to select safe investments. Corporate trustees, however, have had considerable experience with such powers," Mr. Leonard said.

At present the authorized investments for a trustee in Ontario are all of the fixed-obligation type, such as mortgages, bonds or debentures. These securities may safely protect the dollar amount of the trust but in a time of inflation and rising prices, the purchasing value of the dollar declines, Mr. Leonard said. This results in the ultimate beneficiary receiving less in terms of real wealth than the original settlor invested, through no fault of the trustee.

So striking has been this development the trust companies have adopted an almost invariable practice of recommending to clients that they authorize wider powers in their wills and trust documents.

Over the last 20 years the ability to invest in common and preferred stocks has in fact enabled trusts to obtain an appreciation of capital value and also a greater yield than if the trust had been limited to investments under the Trustee Act. Perhaps this coming session of the Ontario Legislature would be an opportune time for the legislation to be enacted, he said.

Mr. Leonard also said the time has arrived when the basis for our system of federal succession duties might well be reconsidered with a view to substituting an estate tax for the existing duty on successions. "Under an estate tax, the levy is made on the estate, graduated according to its size, but disregarding the amount going to any one beneficiary or the relationship of that person to the deceased," he said. Further, exemptions can be made for widows' dependents to conform with the present similar provision in the succession duty acts but thereafter the same aggregate amount of taxes would be collected in Canada as is now obtained but the estate tax would be far simpler to administer and to collect. It would facilitate the planning of estates and would enable a man's wishes in his will to be carried out more readily, Mr. Leonard said.

Econ. Inv. Trust To Split Stock

A special general meeting of shareholders of Economic Investment Trust Ltd. has been called for Feb. 14 to consider three bylaws, enacted by directors on Dec. 13, 1950, which will authorize splitting the common stock, establishment of a pension fund and will clarify the status of the manager.

It is proposed that outstanding common shares be subdivided on a basis of 2½ new $10 par common shares for each old share. There are 70,000 common shares, par $25, authorized, 50,000 outstanding.

Directors feel this split will place the shares within the reach of the average investor, increase the number of shareholders and improve stock marketability.

Another bylaw permits a director to be manager or assistant manager, and provides that any payment to a director as manager or assistant manager shall not be taken into account in determining compensation available for directors under the bylaws.

The third bylaw authorizes establishment of a retirement reserve or fund for company personnel, who, directors feel are entitled to monetary recognition upon retirement. Future contributions to the fund from current earnings, if and when deemed desirable, will not exceed $2,000 in any one year. As no provision has been made since incorporation of the company in 1927 it is proposed to transfer $50,000 from investment reserve this year.

"Such procedure will not at this time affect the income account except possibly to the extent of any earnings on the amount transferred," Chairman L. C. McCloskey says. Payments from the fund will be at the discretion of the directors.

NORTH WALSINGHAM TOWNSHIP $15,000 issue 3½% debentures due Dec. 15, 1951-65, sold to J. L. Graham & Co. Proceeds for grant to Tillsonburg Soldiers' Memorial Hospital.

ERIK STOCKER

assistant managing director Rubinovich & Haskell (Montreal), has been appointed vice-president.

M. & P. Grain Tax-Free Stock Div'd. Planned

A special general meeting of shareholders of Midland & Pacific Grain Corp. has been called for Jan. 30 to authorize increasing the capital by the creation of 300,000 non-cumulative 4% redeemable preferred shares, par $5; and to allow directors to pay a dividend declared in money in fully paid shares and to fix the number of directors at six.

As a result of consideration of section 95 (A) of the Income Tax Act by directors, the company elected to pay 15% tax on its undistributed income and paid about $300,000 to the income tax department, President and General Manager C. W. Roenisch advises shareholders.

Directors intend to capitalize the undistributed income by declaration of a stock dividend payable in redeemable preferred shares. The proposed plan is that the holders will receive three redeemable preferred shares, par $5, for each common share held.

"It is expected that the company will be in a position to redeem the preferred shares reasonably soon after their issuance," Mr. Roenisch says.

Because of these proposals directors have decided not to declare the common dividend ordinarily paid on Feb. 1.

Halifax Hotel Shareholders Vote Sale of Majority Stock

HALIFAX — Shareholders of the Lord Nelson Hotel Co., which has not operated in the black since the last few weeks of the war, threw out a special resolution that almost 80% of them favored just two weeks ago, that the hotel be sold for $900,000 to Col. S. C. Oland, President of Oland and Sons Ltd., brewers, and H. Norman Stanbury, Investment Broker.

But subsequent action by the majority shareholders produced practically the same result, giving Colonel Oland and his associates more than 60% of the stock with an additional offer by him to buy up most of the remaining stock held by the minority shareholders.

Three weeks ago sitting in special general meeting the shareholders, representing both preferred and common stock, voted 6,795 for the sale and 206 against.

Meeting again to confirm that resolution, the shareholders were presented with an offer of $1,000,000 for the hotel made by F. J. Brennan & Co. (N. S.) and F. R. Guptill, managing director of the Brennan Investment House.

C. B. Smith, K.C. president of the hotel company said the new offer could not properly be considered at this meeting but he would read it to assist the shareholders in coming to a decision. He also announced that the majority of the directors would sell their controlling stock to Colonel Oland on the basis of $25 per preferred share, with the common stock thrown in, the same amount the shareholders would have realized under Colonel Oland's original offer. This action assured continued operation of the hotel under the present company, but with Colonel Oland gaining more than 60% of the stock.

Open Letters

This turn of events in what had started off as a normal winding up and a new company organized under the new owners was precipated by an open letter published in Halifax papers and signed by Mr. Guptill in which these objections were made:

1—That insufficient time had been given to properly consider the advantages and disadvantages of the proposal.

2—That the property was worth more money than that contained in the offer which the directors had already voted to accept.

3—That no opportunity was offered shareholders who wished to continue their investment.

Mr. Smith replied with an open letter to shareholders, saying that the fullest information was offered on the affairs of the company. He said that since the reorganization of the company in 1947 the hotel was operated with a limited measure of success but owing to heavy losses in previous years it was deemed advisable to sell if a reasonable opportunity presented itself.

Colonel Oland will purchase shares of the minority shareholders who had favored the winding up under the terms of the original resolution. Mr. Smith said the directors had "consistently refused to sell the controlling shares except on terms that the minority were offered the same price as that offered the majority shareholders."

$532,000 Deficit

Deficit of the hotel as of Sept. 30, 1950, was given as $532,393 which represented the loss suffered by the present stockholders over the 22 years of operation. It was estimated, in terms of Colonel Oland's original offer that about $160,000 would be derived from that sale for distribution among the holders of 6,400 preferred shares or 25 cents on the dollar. Nothing was to be paid on the 2,285 common shares.

Reviewing the financial history of the hotel, Mr. Smith said no surpluses were shown until the last few years of the war, when the company repaid the CPR $25,000 in loans. Profit for the 12 months preceding Oct. 30, 1950, was $38,000 but due to heavy debt charges and mortgages, a chance for returns to shareholders was far in the future, he said.

The directors of the company purchased the Canadian Pacific's controlling 3,500 shares under the following circumstances: In anticipation of the maturity of $600,000 par value first mortgage bonds on Nov. 1, 1947, the directors approached the CPR with a view to that company taking over the hotel or, failing that, to protect their interest by purchasing at foreclosure sale in the event the first mortgage bonds were foreclosed. The Canadian Pacific was not interested in either proposition and the directors then felt it was necessary to reorganize the company and acquire the CPR interest. The directors had to acquire $150,000 par value of the outstanding first mortgage bonds. New 20 year bonds were issued in exchange for the bonds maturing in 1947.

The railway stock was acquired in 1947 and in 1948 the CPR second mortgage of $241,500 was purchased by four of the present directors.

Mr. Smith said Mr. Guptill and his associates could make their same offer to Colonel Oland and his associate.

Directors of the hotel company are: C. B. Smith, Melvin S. Clarke, Col. S. C. Oland, H. Norman Stanbury, all of Halifax, and George E. Graham, Kentville.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

DE HAVILLAND AIRCRAFT OF CANADA LTD. net profit for the year ended Sept. 30, 1950 amounted to $324,698, nearly five times the previous year's $65,114. Sales increased considerably and, due to the increased volume of work, efficiency throughout the organization improved.

Chipmunk aircraft were produced at a steady rate and all were sold to Siam, Egypt and India. Production is continuing at a slow rate on a sold-in-advance basis well into 1951. The de Havilland Aircraft Co., Hatfield, England, is now producing 25 Chipmunks per month, with all production sold in advance for almost a year.

The Beaver continued to prove an outstanding utility aircraft and during the year a prototype crop spraying model was developed for both powder and liquid spraying. All 1950 production of the standard model was sold, with orders on hand carrying over well into 1951.

Beaver is being demonstrated to armed forces of Canada and the U. S. In view of the world situation, it is possible that the aircraft may be required in quantity.

General repair and overhaul work was developed in substantial volume on Vampire, Canso, Dakota and Goblin jet engines. This work is increasing as R.C.A.F. expands and more aircraft of all types are brought into service.

The first export order of the Comet, for Canadian Pacific Airlines, the only jet airliner in production in the world, was completed. It is made at the Hatfield plant.

Future prospects are good, subject to effect war conditions may have on our general business, Vice-president and General Manager P. C. Garratt states.

INCOME ACCOUNT

Years Ended Sept. 30:	1950	1949
Operating profit	$890,996	$128,723
Less: Depr.	109,298	56,609
Invent. res.	250,000	......
Income tax	207,000	7,000
Net profit	324,698	65,114
Less: Cl. A divd.	32,000	......
Surplus for year	292,698	65,114
Earnings per Share and Dividend Record:		
Class A†	$10.15	$2.03
Class A‡	2.62	2.02
Paid	1.00	....
Class B	‡0.62	‡0.02
None paid.		

†Before (‡after) participation.

CONDENSED BALANCE SHEET

As at Sept. 30:	1950	1949
Cash	$479,289	$104,637
Accts. rec.	965,571	569,215
Inventories	1,182,624	1,537,559
Total curr. assets	2,627,484	2,211,431
Inv. & adv. re subs.	1,000	1,000
Misc. assets	23,572	23,143
Fixed assets*	352,637	445,967
Total assets	3,004,693	2,681,541
Accts. tax pay.	962,888	938,698
Total curr. liabs.	962,888	938,698
Conting. res.	100,000	100,000
De Hav. (Eng.) loan	153,652	147,388
Capital stock	306,000	306,000
Surplus	1,482,153	1,189,455
*After depr. of	662,761	553,464
Working capital	1,664,596	1,272,733

DRYDEN PAPER CO. net profit for the year ended Sept. 30, 1950 amounted to $450,432, nearly tripling the previous year's $155,627. Mill operation was 45% greater than in 1949, dollar sales increasing by 37%. Demand for unbleached kraft pulp, paper and paper products increased steadily during the year and at the year end was exceptionally strong, President E. Lorne Goodall states.

During the year, $316,239 was spent on new construction, major portion being spent on rebuilding and replacement of obsolete equipment in screen and beater rooms. By January, 1951, the modernization plan in progress since 1945 will enable the mill to produce 54,000 tons of finished products annually, compared with 29,000 tons five years ago, Mr. Goodall says.

Sale of $1.5 million series "B" bonds provided for bank loans, additional working capital, proposed improvements to existing paper machines and installation automatic control in the four hydro-electric power plants. Completion of these proposals is scheduled for October, 1951.

During the year, an interest was purchased in Ormiston Mining & Smelting Co., a new company producing salt cake, vital to the industry. This investment will ensure a continuous supply of salt cake as required.

Following a survey of pulpwood limits completed during the year, new agreements have been made with the Ontario Government giving cutting rights on existing limits for 41 years, renewable for a further period of 21 years. Woods department is working in close co-operation with the government, instituting a long-term forest management plan with a view to sustained yield operation.

INCOME ACCOUNT

Years Ended Sept. 30:	1950	1949
Net earnings	$1,315,168	$664,624
Less: Depr. & depl.	422,831	313,893
Bank loan	9,905	29,104
Bond interest	81,000	59,000
Prov. for taxes	351,000	107,000
Net profit	450,432	155,627
Less: Divds.	218,400	218,400
Surplus for year	232,032	*62,773
*Deficit.		
Times Bond Interest earned:♦		
Before depr., etc.	16.11	10.77
After depr., etc.	10.89	5.45

♦Based on net earnings, after deducting bank interest.

Earnings per Share and Dividend Record:		
Common	$2.47	$0.86
Paid	1.20	1.20

CONDENSED BALANCE SHEET

As at Sept. 30:	1950	1949
Cash	$580,857	$4,281
Accts., etc., rec.	683,303	399,714
Co's bonds	75,000	13,000
Bonds & stocks†	631,925	2,101
Inventories	1,718,375	1,779,374
Total curr. assets	3,689,460	2,198,470
Prep. exp., etc.§	45,168	39,891
Invest. assoc. co.	148,470	99,990
Misc. assets▲	40,206	4,544
Fixed assets*▪	6,478,424	6,506,898
Total assets	10,401,728	8,849,793
Bank loan	......	338,000
Accts., taxes, etc.	816,993	341,344
S.f. pay	75,000	75,000
Total curr. liab.	891,993	754,433
Spec. bank loan	......	200,000
Funded debt	2,775,000	1,350,000
Capital stock	5,208,415	5,208,415
Capital surplus	194,300	194,300
Earned surplus	‡1,332,020	1,142,734
†Market value	634,500	6,100
*After deprec. of	2,646,530	2,294,134
▪After deplet. of	496,193	426,458

‡After deducting $42,746 bond, disc. and exp.

§Incl. in curr. assets in co's report.

▲Incl. ref. E.P.T. of	4,544	4,544
Working capital	2,797,467	1,444,126

MONTREAL TELEGRAPH CO. deficit for the year ended Dec. 31, 1950, amounted to $3,001, compared with the previous year's surplus of $5,664. Company property is valued at $2,151,824. Legal proceedings have been instituted against Great North Western Telegraph Co., and its operating successor, for the recovery of corporation taxes paid in 1949.

During 1950, the company sold for $116,910 certain lines in Canada and the United States which were no longer useful or required for operations of the remainder of the system.

INCOME ACCOUNT

Years Ended Dec. 31:	1950	1949
G.N.W. Tel. Co.	$165,000	$165,000
Add: Other inc.	4,203	5,230
Less: Expenses	8,350	8,955
Inc. tax res.	63,854	55,611
Divds.	100,000	100,000
Surplus for year	♦3,001	5,664

♦Deficit.

CONDENSED BALANCE SHEET

As at Dec. 31:	1950	1949
Cash	$11,013	$2,865
Invest.	71,512	71,912
Accr. rev.	41,850	41,750
Furnit., Mtl.	1,000	1,000
Fixed assets‡	2,151,824	2,151,824
Total assets	2,277,199	2,269,331
Divds., taxes pay.	67,361	56,621
Conting. res.	......	▪
Exc. val., prop. oper. by G.N.W. Tel. Co.	151,824	151,824
Capital stock	2,000,000	2,000,000
Surplus	58,014	60,906

▪Tsf. to surplus in 1949.

‡Value when taken over in 1881 by Gt. N. W. Teleg. Co.

FOR SALE

Small manufacturing business, old-established. Wood and steel products. Unlimited possibilities with growing demand. Ill-health forces sale. $75,000.00 includes building and equipment.

BOX 145, THE FINANCIAL POST, TORONTO

SEEKS GREATER OPPORTUNITY

Salesman with impressive selling background 20 years in food industry, looking for tougher job as office and sales manager, where drive, energy and ambition can be fully utilized. Also experienced accountant with 15 years practical experience in banking, correspondence, office routine and accounting. I. Q. rating 180. Presently earning $5,000. Will re-locate. Age 55, married—bilingual. Text book authority in mathematics.

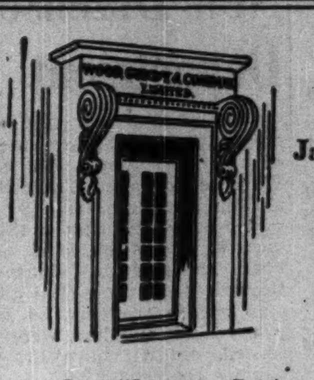
BOX 149, THE FINANCIAL POST, TORONTO

CONTROLLER

FOR

Large Chain Store Company located in Hamilton, Ontario. Applicant must be familiar with branch accounting, capable of taking complete charge of office and able to control systems and routines. Apply stating qualifications and salary required to

BOX 142, THE FINANCIAL POST, TORONTO



January Suggestions for Investment

Our "January Review and Securities List" summarizes factors contributing to the continuation of the high level of Canadian business activity.

Included are highlights from the recent annual reports of H. R. MacMillan Export Company Ltd., Canadian Car & Foundry Co., Limited, British Columbia Forest Products Limited, as well as comment on The British American Oil Company Limited, McColl-Frontenac Oil Company, Limited and the proposed development programmes of Aluminum Company of Canada and The Steel Company of Canada.

The "List" includes offerings of some 150 Government and Corporation Bonds and Preferred and Common Shares yielding from 3% to over 6%.

A copy of our "January Review and Securities List" will be mailed promptly upon request.

Wood, Gundy & Company
Limited
Toronto Montreal Winnipeg Vancouver
Ottawa Hamilton London, Ont. Kitchener
Regina Edmonton New Westminster Victoria
New York Halifax Quebec London, Eng.

OPERATING SPECIALIST

Required to assist co-operative farm supply stores in their operations. Duties involve analyzing operational problems, making recommendations and management supervision. Applicant must have good business background and some bookkeeping experience. Should be free to travel. Position provides good salary, expenses and many employee benefits. Reply stating age, education, experience, references, salary expected, etc., to

BOX 150, THE FINANCIAL POST, TORONTO

OPERATING BUSINESSES OFFERED

SILK MILL, Montreal. SILK MILL, Eastern Township. SHOE FACTORY, Montreal; SHOE FACTORY, Quebec; CLOTHING MANUFACTURING, Prov. Quebec; PHARMACEUTICAL WHOLESALE, Quebec; ADVERTISING ORGANIZATION, Montreal; HOSIERY CHAIN STORES, Ontario; PACKING & FREEZING PLANT, Maritimes; BUILDING SUPPLY CO., Laurentians; FOOD PRODUCTS CORPORATION, Laurentians; CAKE FACTORY, Montreal; SAW-MILL, near Montreal; WHOLESALE SPORTING GOODS, Ont.; ELECTRICAL APPLIANCES PLANT, Ont.; FOUNDRY & CASTING CLEANERS, Prov. Quebec; COAL DISTILLERY, Montreal; PACKING CO., Montreal; SOFT DRINK CORPORATION, Montreal.

Partnerships or outright purchase.

We invite correspondence from owners of well-managed operating businesses, desiring to sell their interests.

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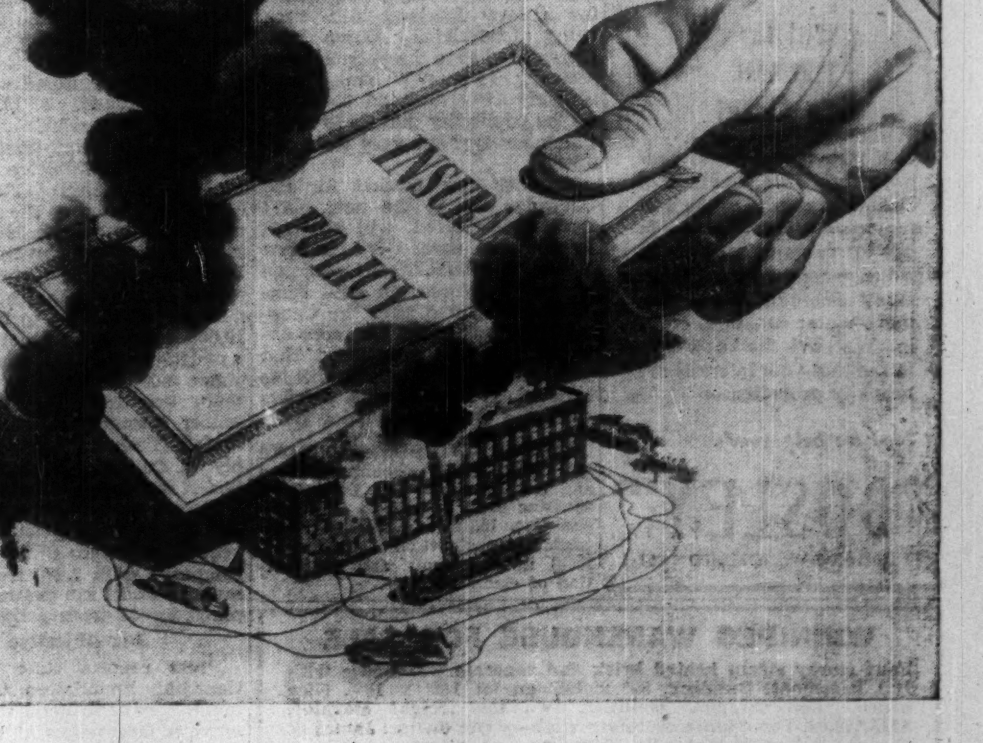
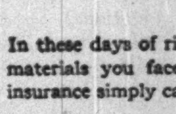
Industrial & Commercial Brokers to Canadian Trade and Industry

H. H. SMITH — President
C. H. LITTY — Vice-President
1405 Bishop
MONTREAL
Phone: HA. 0119





Today you just can't cover it!

In these days of rising construction costs and scarce materials you face a double threat against which insurance simply cannot protect you.

If your plant or buildings should burn, you will almost certainly find that your insurance indemnity check is inadequate to cover replacement. You will find that you are harried by costly delays in replacing scarce equipment, while your employees drift to other jobs and your customers go elsewhere. Fortunately, there is one way to protect yourself against ruinous fire losses in times like these. That is the positive protection of an automatic sprinkler system.

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Grinnell Company of Canada, Ltd., Montreal, Toronto, Vancouver

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Your Inquiries are Invited
12 OFFICES IN CANADA

Photo by Karsh.

CYRIL F. H. CARSON, K.C.

The announcement is made of the appointment of Mr. Cyril F. H. Carson, K.C. to the Board of Directors of The Canada Permanent Trust Company.

Mr. Carson is the senior member of the law firm of Tilley, Carson, Morlock & McCrimmon.

NOTICE OF REDEMPTION

PROVINCE OF QUEBEC
$10,000,000 3¼% Debentures dated March 15th, 1939, maturing March 15th, 1954.

NOTICE is hereby given that the $10,000,000 3¼% Debentures dated March 15th, 1939 of the Province of Quebec, issued under the authority of the Act 1 Edward VIII (2nd Session), Chapters 2 and 3, and subject to prior redemption according to the terms of the Debentures, are hereby called for redemption on the 15th day of March, 1951 at their principal amount plus interest accrued to the said redemption date.

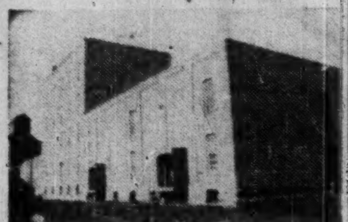
Debentures, with all coupons maturing after March 15th, 1951 attached, may be surrendered against payment in lawful money of Canada, at the banks and the places of payment stipulated in the Debentures. Registered Debentures should be accompanied by all instruments requisite for transfer.

Interest on all of such Debentures shall cease to accrue on the 15th day of March, 1951 and thereafter the holders of such Debentures shall have no rights except to receive payment of principal and accrued interest to the said redemption date.

PROVINCE OF QUEBEC
ONÉSIME GAGNON
Provincial Treasurer

January 4th, 1951.

BUILDING FOR SALE
IN
SOURIS, MANITOBA



This brick building, 225 feet x 50 feet, with full railway trackage, formerly used as a flour mill, is now available for sale or for rent. The building is divided into three sections:

Warehouse—85 feet x 50 feet, two stories.

Main Building—70 feet x 50 feet, first storey and basement; 70 feet x 40 feet, second, third and fourth stories.

Engine and Boiler Room—70 feet x 50 feet, one storey and basement.

LAND AREA—approximately 400 x 250 feet.

Address all inquiries to

BOX 143
THE FINANCIAL POST,
TORONTO

MANAGED INVESTMENT

MacNab's Manager Buys Can. Iron Foundries Com.

MacNab's manager buys 50 common shares of Canada Iron Foundries, Ltd. during the recent secondary offering of the issue price of $20 a share net, and sells at $110 the Account's holding of $1,000 Canadian Pacific Railway 3⅛% convertible collateral trust bond due April 1, 1970.

In accordance with his advice to retain all the common stocks as a hedge against the current inflationary trend, MacNab's manager changes the next point at which further stocks should be sold under his control plan to 250 on the Dow-Jones industrial average.

The MacNab Account Transactions

PURCHASED:

No. of Shares		Cost Price $	Gross Cost $
50	Can. Iron Fdries. com.	20	1,000.00

SOLD:

Par Value		Sale Price $	Net Proc'ds $
$1,000	C.P.R. 3⅛% bd., 1970	110	1,108.47*

*Includes accrued interest of $8.47.
Note: Purchase made on Jan. 5 and sale on Jan. 8.

MacNab's Manager Says:

In accordance with my last advice to you to retain all of your common stocks as a hedge against the current inflationary trend, I have now decided to raise the next point at which further stocks should be sold under my control plan to 250 on the Dow-Jones industrial average.

As this letter is written (Jan. 8) the Dow-Jones industrial average is about 241. It is possible that the market may turn down before 250 is reached, as there has been no substantial corrective reaction recently. However, I am content to recommend holding your stocks through any corrective reaction and feel that it is wiser to take the long term view.

I recently purchased 50 common shares of Canada Iron Foundries which was offered at $20 net by the underwriters. This represents an outstanding issue which has been purchased from the majority shareholder. The Company recently took advantage of Section 95(A) of the Income Tax Act and distributed $15 per share out of surplus after paying the 15% tax.

The company is paying dividends at the rate of $1.20 per annum so that the stock yields 6% at the offering price. These shares, in addition to your holdings of Steel of Canada common, will provide you with a further interest in the steel and iron industry. The company manufacturers lines of heavy machinery which should be in great demand during the next few years.

There are $7 million short term bonds ahead of the common stock, which have been placed privately with an insurance company, thus providing a substantial leverage of earnings on the common stock.

To provide funds for this purchase, I have today sold $1,000 Canadian Pacific Railway 3⅛% bond due 1970 at $110. As you have already a substantial portion of your capital invested in C.P.R. shares, I consider this switch will provide you with further diversification.

It is possible that I will replace this bond with another bond if and when the stock market sells at higher levels to maintain your proportion of fixed income securities.

Pleads Guilty In Exchange Case

MONTREAL (Staff)—Pleas of guilty have been filed by Joseph Alexandre DeSeve in connection with charges brought against him concerning alleged violations of Foreign Exchange Control Board Regulations (The Financial Post, Jan. 13).

A hearing to argue the sentence has been set for Jan. 23. DeSeve is charged with having failed to declare, depositing without permit and withdrawing without permit, certain U. S. currency held in a New York bank, and with having purchased some Hollinger shares with U. S. funds. Value of the currency and securities involved is about $62,000.

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(Canada Permanent Bldg.)
TORONTO

Expect Debentures For John Labatt

A new issue of $2¼ million serial debentures of John Labatt Ltd. is expected to be announced shortly. According to street reports, the issue which will consist of 3¼% debentures due 1954 to 1961 and 3¾% debentures due 1962 to 1971 will be sold privately through McLeod, Young, Weir & Co. and Cochran, Murray & Co.

Proceeds would be for the company's modernization program which is being continued. A total of $1,534,540 was spent in capital expenditures in the year ended Sept. 30, 1950.

Here's Investment Program Of Balanced Mutual Fund

MONTREAL (Staff) — Shares of a new mutual investment fund —Balanced Mutual Fund of Canada Ltd. — are currently being offered by Investment Distributors Ltd.

Offering prospectus states fund objectives will be to "provide a reasonable return on the shareholder's investment, payable quarterly; to conserve the value of the investment and to secure a reasonable growth of both principal and income through participation in an extensive group of carefully selected securities."

Shares are redeemable, at the holder's option and to the extent to which paid-in surplus is available, at any time, at the net asset or liquidating value per share.

Investment policy includes holdings in Government of Canada and other bonds, in preferred and common stocks, and is "to maintain a broad diversification between investments in different industries and in individual companies." Bylaws stipulate that not less than 20%, or more than 75%, of the Fund's invested assets must be in bonds, debentures or preferreds at all times and that investment in preferreds cannot exceed half the total amount thus required to be invested.

To be retained by the Fund to supply statistical information and to advise generally in regard to investments is Mutual Fund Statistical Surveys Ltd., "an investment research organization primarily for the use of mutual funds."

Some investment restrictions in the Fund's bylaws are as follows:

(1) No securities can be bought on margin.

(2) No securities can be sold short.

(3) The fund cannot borrow money or mortgage or pledge any of its property.

(4) It cannot buy securities of any issuer having a record of less than three years continuous operation, except in cases of issue of rights, re-capitalizations and other corporate reorganizations.

(5) It cannot purchase securities of any issuer which would result in it owning over 10% of all securities or over 10% of the voting securities of such issuer, nor can it invest more than 5% of its assets in securities of any one corporate issuer.

Authorized capitalization is 5,000,000 $1 par common shares and 100 $1 par deferred shares. To mid-December, 6,600 common shares had been issued as fully paid.

Sale to Public

Common shares are issuable from time to time to the public for an amount equal to the net asset value at the time plus a selling premium not to exceed 9% of the offering price. From the proceeds of the issue of each share, $1 will be credited to Capital, and that part of the excess over $1 equal to the per share amount of undistributed income on hand at the date of issue of each common share will be credited to Paid-in-Surplus, Revenue Section, with the remainder going to Paid-in-Surplus, Capital Section. The Paid-in-Surplus, Capital Section will be available for purchase of common shares for cancelation but not for dividends.

An option to purchase the 4,993,400 unissued common shares, at their net asset value just before purchase, has been granted to Investment Distributors Ltd.

Regarding dividends, "the Fund proposes to pay out, as closely as possible, its net income as dividends to shareholders."

Officers and directors are: F. J. Brennan, president; D. W. Partridge, vice-president; J. C. Rogers, vice-president; W. H. Wert, secretary-treasurer; P. L. Pratley; C. I. Hall; W. H. Griffiths; Arthur Lagueux; J. S. Lightcap; and R. W. Robertson.

Following is the current list of companies approved for investments of funds of Balanced Mutual:

APPROVED LIST OF INVESTMENTS

Agricultural Implements
Cockshutt Plow Co.
Massey-Harris Co.

Automotive
Chrysler Corp.
Ford Motor Co. of Canada
General Motors Corp.
Goodyear Tire & Rubber Co., of Canada

Banking & Finance
Bank of Montreal
Bank of Nova Scotia
Bank of Toronto
Banque Canadienne Nationale
Canadian Bank of Commerce
Imperial Bank of Canada
Royal Bank of Canada

Base Metals
Aluminium Ltd.
Aluminum Co. of Canada
Consolidated Mining & Smelting Co., of Canada
East Sullivan Mines, Ltd.
Hudson Bay Mining & Smelting Co.
International Nickel Co. of Canada

Construction
Asbestos Corp.
Building Products Ltd.
Dominion Bridge Co.
Dominion Oilcloth & Linoleum Co.
Foundation Company of Canada
Gypsum, Lime & Alabastine Canada, Ltd.

Food
Canadian Canners Ltd.
Canada & Dominion Sugar Co.
Lake of the Woods Milling Co.
Ogilvie Flour Mills Co.
George Weston, Ltd.

Gold Mining
Dome Mines Ltd.
Hollinger Consolidated Gold Mines Ltd.
Kerr-Addison Gold Mines Ltd.
McIntyre Porcupine Mines Ltd.
Noranda Mines Ltd.

Merchandising
Loblaw Groceterias Co.
Montgomery Ward & Co.
Sears, Roebuck & Co.
Stedman Bros. Ltd.
Western Grocers Ltd.
Zeller's Ltd.

Office Equipment
International Business Machines Corp.
Moore Corp.

Petroleum
Anglo-Canadian Oil Co.
British American Oil Co.
Calgary & Edmonton Corp.
Home Oil Co.
Imperial Oil, Ltd.
McColl-Frontenac Oil Co.
Phillips Petroleum Co.
Standard Oil Co. (New Jersey)
Texas Co.

Public Utilities
Bell Telephone Co. of Canada
British Columbia Power Corp.
Brazilian Traction, Light & Power Co.
Nova Scotia Light & Power Co.
Shawinigan Water & Power Co.

Pulp & Paper
Abitibi Power & Paper Co.
Bathurst Power & Paper Co.
Consolidated Paper Corp.
Fraser Cos.
The Great Lakes Paper Co.
International Paper Co.
Powell River Co.
Price Bros. & Co.
Howard Smith Paper Mills Ltd.

Steel & Steel Fabricators
Dominion Foundries & Steel Ltd.
Dominion Steel & Coal Corp.
Dominion Coal Co.
General Steel Wares, Ltd.
International Metals Industries Ltd.
Nova Scotia Steel & Coal Co.
Steel Co. of Canada
Westeel Ltd.

Textiles
Canadian Celanese Ltd.
Dominion Textile Co.
Wabasso Cotton Co.

Miscellaneous
Canadian Bronze Co.
Canadian Industries Ltd.
Canadian Pacific Railway Co.
Dominion Glass Co.
Imperial Tobacco Co. of Canada
National Steel Car Corp.
Russell Industries Ltd.

While the foregoing constitute the securities presently approved for investment, it may be amended from time to time and funds may not necessarily be invested in all securities listed.

Offer Common Of Watson Jack

MONTREAL (Staff)—An offering of 35,500 common shares of Watson Jack & Co., at $12.50 a share, made by Molson Securities Ltd. this week, was oversubscribed. This is an offer of already outstanding shares and does not constitute new financing.

Incorporated in 1914, chief business of Watson Jack & Co. has been manufacturing and/or supplying a complete range of pumps and accessories especially developed for forest fire fighting. The same equipment is used for fire protection by small municipalities, it is stated, and also for auxiliary fire protection on vessels. In addition, the company has acquired about 81% of the shares of F. H. Hopkins & Co., engaged principally in sale of industrial, mining, railway and contractor's equipment and supplies.

Watson Jack & Co. also acts as distributor of industrial, contractors' and road-building equipment and has the exclusive agency for sale in Canada of Larssen sheet steel piling. Head office of both companies are in the Montreal area.

Plans are, it is stated, to combine operations of the two companies at many points, with substantial benefits expected to result.

Consolidated net earnings for the 10 years ended Nov. 30, 1950, have been as follows: 1941, $53,534; 1942, $55,791; 1943, $35,430; 1944, $64,673; 1945, $39,547; 1946, $60,156; 1947, $123,018; 1948, $167,845; 1949, $86,528; and 1950 (including only 11 months earnings for the subsidiary, as its fiscal year ends Dec. 31), $79,999.

Authorized capitalization consists of 75,000 npv common shares, 50,000 outstanding. Quarterly dividends at the rate of 80 cents a share annually are planned, starting on April 1, 1951.

Pro forma consolidated balance sheet as at Nov. 30, 1950, showed working capital of $547,706 and total assets of $1,166,779.

Higher Dividends For Laura Secord

Higher dividends for shareholders of Laura Secord Candy Shops will be discussed at the next meeting of the board of directors, President John D. Hayes stated at the annual meeting. Directors will meet sometime in February.

Net profit for the year ended Sept. 30, 1950, amounted to $361,500 as against $350,000 in the previous year, equivalent to $1.26 and $1.22 per common share respectively.

Plans and specifications for the new Montreal studio are well advanced, but, in view of the present general situation, construction had not been started, Mr. Hayes said.

Reimposition of the 30% excise tax had been a "staggering blow," Mr. Hayes stated. He maintained that few businesses could survive under such an excise tax. Despite the tax, December business was very satisfactory, probably due to the adoption of the Christmas package, Mr. Hayes said. He expressed the hope that current year's sales would be as good as those of 1950.

Bell Tel. Seeks Approval New $50 Million Bond Issue

MONTREAL (Staff) Bell Telephone this week notified shareholders it would seek their authority Feb. 22 to issue a new series of $50 million first-mortgage bonds and to increase to $20 millions (from present $10 millions) the total of obligations which may be issued ranking junior to the first-mortgage bonds.

In a letter to shareholders, President Frederick Johnson noted that directors have shareholder authority to issue additional shares of stock, but to be in a position to effect company financing "in whatever may be in the company's best interest" they require authority to make further issues of debt securities.

Orders Roll In

He pointed out that despite the addition of 130,000 telephones to its system in 1950, there were still 80,000 unfilled orders on hand and nearly 90,000 customers waiting for a higher grade of service. Volume of new applications continues at a high level and with long-distance service being used more than ever before, additional toll-line facilities are needed.

New capital in large sums will be required for some years to come to finance the company's construction program, the president stated.

In its application for a rate increase more than a year ago, the company stated that its gross construction costs in 1951 and 1952 were likely to total $85.9 millions each year. Gross construction cost in 1950 was $78 millions compared with an estimate of $82.4 millions in the rate application.

Bonds Sold

The Bell president confirmed earlier reports that the company had sold $8 million 2½% bonds (Series H) due May 1, 1960, and payable in U. S. funds to provide funds for redemption of $7.5 million Series C 5% bonds due 1960. The bonds redeemed were payable as to principal and interest in Canadian or U. S. dollars and the transaction disposed of the last of the company's high-coupon "two pay" bonds, of which $67.5 millions were outstanding prior to the war.

More than 99% of the 1,292,805 common shares offered to shareholders in October were subscribed, netting the company nearly $42.3 millions. Of this, $38.5 millions was used to retire short-term notes held by the company's bankers. These notes had been used to finance the construction program since December, 1949.

With 78,000 shareholders now holding stock in the company, the job of getting a large enough shareholder representation at meetings is increasing, observers note. President Johnson gave special attention in his letter to the need for sending in proxies if shareholders couldn't be present in person, pointing out that "as an affirmative vote of two thirds of all the outstanding stock is required to authorize an issue of bonds, it is most important that your stock be represented at the meeting."

Company has outstanding $135 millions in bonds, $9 millions in 2½%-2¾% notes and a $9 million 4% note held by the pension fund trustee. The authorization under which the 2½%-2¾% notes were issued permits issue of $10 millions, such notes ranking junior to the first-mortgage bonds, and the company is now asking that this authorization be doubled.

Brazil Man Buys CFI Corp. Stock At $80 a Share

MONTREAL (Staff) — Control of Canadian Foreign Investment Corp. has now shifted and cheques are being mailed to shareholders who accepted the offer, extended last fall, to purchase their holdings at $80 a share. The offer, made by Dr. J. J. Abdalla of Brazil, expired Jan. 10, 1951, and a company official tells The Post that "a heavy percentage of the stock" was deposited under it.

Dr. Abdalla was understood to already hold about 12% of the 17,416 n.p.v. shares issued and by Nov. 30, enough additional stock had been deposited with Montreal Trust Co. under the offer to bring this total to more than 51%.

At a meeting of directors Jan. 13, the following directors resigned: W. A. Black, Sr., Lt.-Col. J. G. Ross, J. D. Johnson, Major T. H. R. Molson, A. M. Vaughan, F. B. Common and F. G. Rutley. W. Allan Black, Jr., who resigned as president, remains a director and was appointed chairman of the board.

Directors elected were: Dr. J. J. Abdalla, president; Col. Murray McCrimmon, executive vice-president; Charles Hale, vice-president; W. Allan Black, Jr., Fred Tabah, Aziz Tabah and Theo Tabah. One vacancy remains to be filled.

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AND
MUNICIPAL BONDS

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Divisional manager for heavy industrial engines company in Toronto. An opportunity to be your own boss in exclusive territory. Management ability and salesmanship required. Salary, expenses and bonus for right man. Unlimited opportunity. Supply record of present and past employment, also photo.

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Well established wholesale Tobacco business located in Vancouver, B.C., volume approximately 1½ million. Excellent possibilities for expansion. Books open to bona-fide parties. Address all enquiries to

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Graduate Both Engineering and Law. Broad Experience in Various Fields of Management. Ten Years With Prominent Firm of Consultants. Considering Change.

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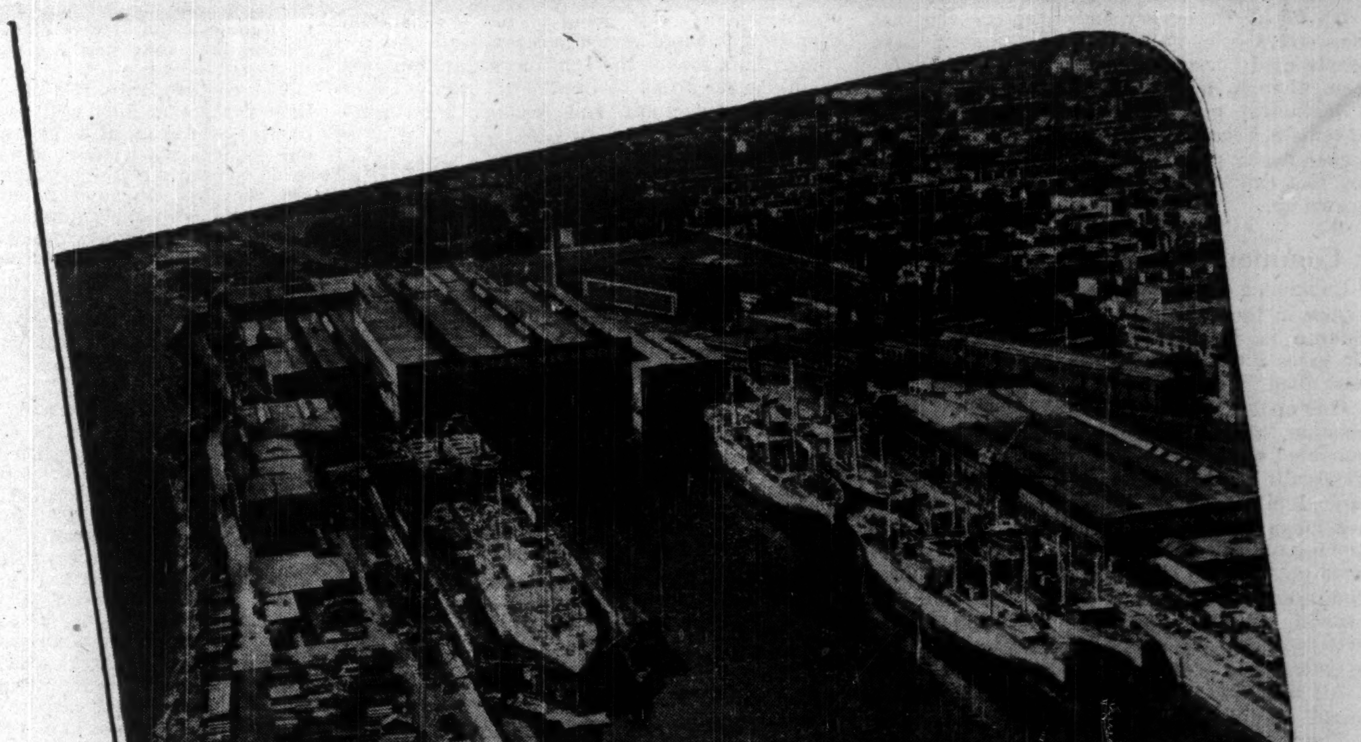
Advertiser, 33, married, interested in associating himself with an older man who needs a Junior partner with executive ability.

Particularly interested in small business, sales organization, established agency or distributorship proposition. Presently selling on commission basis with earnings in 8000-10,000 a year category. Opportunity to build a future more important than immediate remuneration.

BOX 139, THE FINANCIAL POST



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Canadian Vickers Limited Is Ready To Design And Build Equipment Of Almost Any Kind And Any Size

The giant Canadian Vickers plant in Montreal is constantly humming with a wide variety of activities. In the great dry dock a sleek ship is being readied for the sea . . . while in other sections engineers are planning the construction of a huge industrial boiler.

One group of technicians is concentrating on building a therapy machine like the one shown here . . . while somewhere else designers are planning a new piece of equipment that will help a Canadian manufacturer to lower his production costs.

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This Is Encouraging

There are signs that Toronto officialdom is at last beginning to realize that the civilized world does not end at the city limits. Being considered is a recommendation that the short-sighted and unfair residence rule for civic employees be abolished.

Under this ridiculous measure, all persons on Toronto's payroll are required to have their permanent homes within the city boundaries. Because of housing congestion, for some years certain exceptions have had to be made. But the old rule has remained on the books and many other equally short-sighted Canadian municipalities have a similar regulation and still enforce it.

Arguments advanced to support this residence rule have been weak and childish. People who draw their wages or salary from a city, it was stated, should do all their spending and taxpaying within that city. This seems to imply that the city owes nothing to the country which surrounds it, which, of course, is ridiculous as no city could exist without steady and continuous outside support. Without the rest of Canada, and indeed the rest of the world, buying a large share of its production and furnishing much of its population, not a city in this country would survive a week.

It is to be hoped that Toronto will toss this regulation right out the window and that other municipalities similarly afflicted will follow the example. This country is far too small a trading area to have a lot of petty little centres erecting one-way barriers within our national frontiers.

Unfortunately, this encouraging news from the municipal field has not been duplicated in provincial circles. There, too, there has been far too much tendency to erect barriers. One of the very worst offenders has been the legal profession. By prohibitive fees, provincial associations have very largely prevented lawyers admitted to the bar of one province from practicing in another. Last week, for instance ,a Canadian Press dispatch from Vancouver reported that John Diefenbaker, M.P., Saskatchewan lawyer, would have to pay a $1,500 fee to be admitted to the British Columbia bar before he could defend a client in the Canoe River train wreck case.

For people who have so much to do in framing our laws and protecting our democratic freedom, it seems incredible that lawyers would tolerate such an arbitrary and unfair restriction in their own calling.

We Have Only Started

Great as has been our growth and development in the last few decades, it should be greater in the years ahead. That welcome optimism comes from J. L. Carson in his presidential address to shareholders of the Bank of Toronto this week.

Mr. Carson bases his prediction on the fact that all our achievements to date have been accomplished with less than one third of our north country explored, with less than one quarter of our potential water power developed, and because we are only now beginning to dip into our immense reserves of mineral and oil resources.

To carry out the development which Mr. Carson sees possible, he advocates much more processing and manufacturing in Canada of our basic raw materials. At present, he points out we export over 80% of our aluminum in ingot form, although we still import huge quantities of finished aluminum products. It's the same with other base metals. We export much pulp and other forest products in semi-finished form.

With wider markets and more people, Mr. Carson sees Canada doubling and trebling its national production and in the next few decades experiencing development that will dwarf even the enormous progress we have made in the first half of this century.

This Price is Too High

By the middle of this summer one million people in the United States will have been killed in automobile accidents since 1900. That is more than died on both sides in the American Civil War, yet the losses of that conflict of 85 years ago are still remembered vividly and bitterly. But traffic deaths we take in our stride, as routine news, as a price we should expect to pay for the privilege of living in this fast age.

It's about time every one of us realized that the current price is far too high. Most of these people died because someone, driver or pedestrian, thought that he was in a hurry, because a death trap on a highway had been allowed to remain, because some person thought he was a good driver and wasn't, or because some driving fool expected a child to be as careful as a grown up.

Commonsense in Civil Defense

Comments by Major-General F. F. Worthington in the periodical Public Affairs on civil defense in industry deserve wide circulation. He gives some pertinent advice both for long-term planning and immediate precautions.

One of the chief aims of a civil defense organization, he points out, is to ensure the least possible disruption of essential production. This calls for dispersion of industry so it will offer limited targets to an enemy. This does not mean uprooting of civilian populations or moving of industrial installations. It does mean civic planning to break solid masses of houses and industry. Companies planning to rebuild or expand operations would select other sites. Self-contained communities would be separated by wide green belts.

All this would take time and money, but it might save lives and money in the long run.

The immediate problem is to be prepared for attack. Two things are necessary for this, Worthington advises: (1) organization to minimize casualties and to protect essential machinery; (2) organization to restore operations with the least delay.

He offers specific advice for making surveys, putting responsible persons in charge of security measures, protecting vital tools, conducting practice drills. Preparations made now, with sober thought and without panic, could prevent panic and loss later.

Korea Not the Only Battlefield

Korean war news has so dominated the U. S. press that the American public and many American spokesmen do not seem to realize that other countries have been fighting the same enemy in other parts of the world and for very much longer than the U. S. forces have been engaged. Because of our dependency on U. S. news sources, Canadians too, have tended to overlook these other important contributions to the common struggle.

Almost continuously since the end of the last war, British forces, both military and police, have been fighting red aggression. At first it was in Greece; then in and around Palestine. Later came trouble in Burma, the Dutch East Indies and then in Malaya. The French and Dutch have also been engaged.

No accurate statistics are available from these widely scattered "fronts," but these efforts of the other democracies have not by any means been insignificant when measured against U. S. participation in Korea. Off and on the equivalent of several divisions have been used and casualties in Malaya, civilian, police and military, have run as high as 500 in a single month. In addition to such active operations, the British have been obliged to station large forces in such strategic places as Hong Kong and the Suez Canal and keep them on an immediate war footing.

Not only have these contributions been largely overlooked by American critics of the support offered by their various defense partners, but for many years the British, French and Dutch were roundly condemned for following a policy which Washington is now pursuing with such vigor.. Only after the Americans took over from the British in Greece, did the former attitude change.

Because they are carrying almost the whole load in Korea and their troops, aside from the Koreans themselves, have suffered the most losses, it is understandable that American public attention should be focused where it is. But in making what are supposed to be fair and accurate comparisons, dangerous friction can be avoided if all efforts against the common enemy anywhere are taken into consideration.

Don't Penalize Saving

Any attempt to conteract inflation by higher income taxes should not penalize saving more than it penalizes consumption. This important point was made by James Muir in his presidential address at the annual meeting of the Royal Bank.

"The most powerful weapon in the fight against inflation is generally supposed to be a stiff increase in the income tax," Mr. Muir said. "But the test of efficiency must be that any income tax increases shall penalize spending and reward saving."

Such a criterion would rule out drastic increases in corporate taxes, he believes--"Extremely high corporate taxes, especially excess profits taxes, tend to encourage waste in management, and, in addition, excess profits taxes are arbitrary in their impact and inflationary in their final effect."

Mr. Muir admitted the personal income tax is a "blunt instrument" that may hit spenders and savers alike. But he thinks it may be the only weapon strong enough to check spending, even though some saving is hit as well.

Mr. Muir makes the sensible suggestion that saving be rewarded by limited tax exemption of insurance premiums and savings bond purchases, and adds:

> "The failure to exempt saving when income taxes are very high will not only reduce their power to prevent inflation in the short run, but may in the long run prove a positive danger to democracy itself. The extremes of 'left' and 'right' in the world today are mediated in the great democracies by a strong middle class. It would be a tragedy indeed if democracy should perish because, in the supposed interest of its own defense, it liquidated this guardian of democratic institutions."

The bank president had two other suggestions in a threefold policy to make income taxation equitable: (1) broadening the tax basis through lower personal exemptions; (2) vigorous reduction of income tax evasion.

History Repeats

The aggression of Communism presents a challenge to western civilization. A question of ultimate issue is posed. Can the free world survive? History gives hope for an affirmative answer.

In his monumental work, "A Study of History," Arnold Toynbee developed the thesis that civilizations have developed through the nature of their response to a challenge, physical or spiritual.

In a survey of 21 civilizations, ancient and contemporary, he produced a mass of evidence to show that the hard lesson of history is that ease is inimical to a civilization's health and survival. The theme of encounter, spiritual and physical, predominates all history.

Toynbee also showed that the strength and quality of a civilization occurred when the response to a particular challenge was not only successful in itself, but which provoked a further challenge which again met with a successful response.

Toynbee in a chapter on "the virtues of adversity" cited numerous examples to illustrate the point that a sudden crushing defeat is apt to spur the defeated party to set its house in order and prepare to make a victorious response.

Thus history is repeating itself. The challenge has been made. It is up to the western world.

Direct Controls Not the Answer

The control of prices and wages is not the only way to meet the danger of inflation, in the opinion of Hon. E. L. Patenaude, president of the Provincial Bank.

"Direct controls are of value only for urgent short-term situations," he told the bank's annual meeting. The present adventure which lines the East and the West in opposition may prove to be of longer rather than of shorter duration and may demand those measures which a free society is normally capable of applying with success.

He suggested three such measures: (1) reduction in government expenditure for peacetime purposes; (2) a system of taxation "fairly and properly distributed"; (3) a monetary policy that considers the present as well as the future.

Mr. Patenaude cautions against rushing "headlong into an economic policy of mobilization which compromises, without absolute necessity, the mainstays of our economy."

Napier Moore's Scratch Pad

REMEMBER "Pigs is Pigs"?

Written more than a quarter of a century ago by Ellis Parker Butler, it was a very funny tale of a crate of pigs held for some time in a railway freight office and the complications arising from natural increase.

Now comes another demonstration that truth is stranger than fiction. The source, Fon W. Boardman, Jr., editor of The Pleasures of Publishing, a leaflet issued by Columbia University Press.

The Department of Zoology at Columbia asked the purchasing office to buy it a rabbit. About the same time, the ladies at Barnard College, which also is in New York, decided that they needed a rabbit for their zoology department. By no great coincidence the two orders, entirely independent, were placed with the same company.

In the belief that Columbia and Barnard were one and the same institution, the rabbit dealers shipped the two rabbits in the same crate. Since then there has been a terrific entanglement of red tape at Columbia and Barnard because the express company's charges were higher than expected. The express company feels that one or other or both of the colleges should pay for the litter of little bunnies born en route, as well as for the parents.

Meanwhile, up on Morningside Heights, there is frantic search for a Solomon who will decide how many of the litter should go to Barnard and how many to Columbia. It is felt that nobody will ever know whether the mama rabbit was intended for Barnard and the papa for Columbia, or vice versa.

* * *

IT'S A WONDER there's any Scratch Pad at all this week.

We were glancing through Executives' Digest, sent us by Thomas A. Edison of Canada, Ltd., when we were stopped short by this statement:

> **You Don't Need A Desk At All** — We tell prospects . . . to imagine themselves freed from their desks. We urge them to draw their chairs to the window to sit there and reflect, freeing their minds to **think.** Their thoughts—about men, markets, methods—about plans and policies—are bound to be more important than any amount of routine paper-shuffling.

We thought it was worth trying. So we drew our chair to the window. Below, on University Ave., a gang of men were putting on top of concrete poles the extension arms for new lights. We found this most absorbing, but not as exciting as a collision of a truck and a taxi. The fire reels were good, too. But it wasn't until our attention was diverted to another gang of city workmen who were digging a trench in the boulevard that we really began to **think.** And what we thought about was the number of foremen and sub-foremen and sub-sub-foremen who stand around watching a few men wield picks and shovels.

We contemplated this for some time and got nothing written. So on Sunday afternoon, at home, we drew our chair to the window, determined to do some pretty solid thinking. We did, too. But we haven't yet found a way to keep the squirrels out of our bird feeding boxes. Squirrels are extremely lithe and very cunning creatures.

Mr. Edison, please, if we're going to get our work done we've just **got** to have a desk and sit with our back to the window.

* * *

IN THE CASE of the new British American Oil building in Toronto, the official opening of which we attended last Friday, we don't imagine anyone will want to look out of the windows. What the staff looks at inside is much more pleasing and infinitely more stimulating than anything to be seen outside.

We applaud president W. K. Whiteford and his directors for giving Thor Hansen, Danish-born Canadian, his head and encouraging him (he has been a company artist for many years) to design and execute a decorative scheme based on Canadian folk art. The craftsmanship—in wall plaques and hangings, woodcarving, metalwork and furniture—is all Canadian; harmonious and excellent.

* * *

THERE IS ONE case in which people ought to be compelled to see out of windows.

A car went by us the other day. Dangling all over both windshield and rear window were half a dozen plastic birds with feathers swaying all over the glass. The rear side-windows were completely covered with stickers. The only label missing was one off a can of tomatoes. And tied to an absurdly high radio aerial was the bushy tail of some deceased animal, which waved vigorously. How, through all these obstacles and distractions the driver could see to drive we couldn't tell.

This sort of feeble-mindedness can cause accidents. The police should crack down on it.

Stop Me If —

The boy walked up to his father and said, unhesitatingly, "Dad, here is my report card—and one of yours that I found in the attic."

* * *

"How was the wedding?" asked the wife of the preacher.

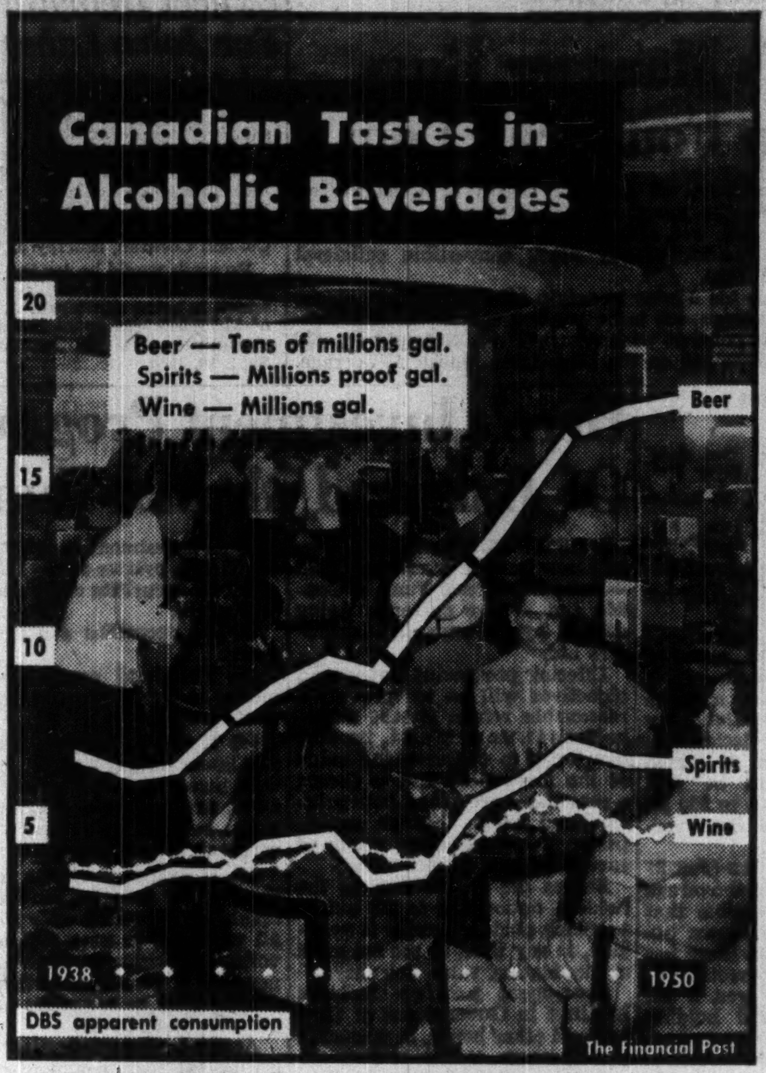
"It was fine until I asked the bride if she would obey, and she said, 'Do you think I am crazy?'"

"The groom was in a sort of a daze and he mumbled, 'I do,' and that's when things really began to explode."

* * *

In a crowded street car a very thin lady who sat next to an extremely fat lady remarked: "They really should charge by weight."

The fat lady replied: "But if they did, dearie, they couldn't afford to stop for some people."



Post Scripts

Marconi's New President

If and when privately owned television transmitting stations are granted licenses in Canada, one of those expected to take a leading role in this new field is Stuart Milner "Fin" Finlayson, 49-year-old Montrealer who has just recently become president of Canadian Marconi Co.

MR. FINLAYSON

First Montreal television station is scheduled to be put into operation later this year by the CBC. Two other applications for licenses in Montreal are still pending—one of them on behalf of Canadian Marconi which already operates AM, FM and short-wave radio stations at Montreal. Three or four transmitters can be operated from the one tower and Finlayson has high hopes his company will be one of those permitted to enter the television broadcasting field.

The new Marconi president has been with the company since January, 1919. Then 17½, he began work as an apprentice engineer and was put through a thorough training course within the company including various types of shop work, inspection, etc. He was given leave of absence in 1920 to enter McGill's electrical engineering school, graduated in 1924 as a B.Sc. He became a junior development and construction engineer, then in 1928 was appointed factory manager. He was appointed, successively, assistant to the general manager (1934), deputy general manager (1937), general manager (1945) and this year, president and general manager.

Mr. Finlayson has taken an active interest in defense work, not only through his activities at Canadian Marconi, but also in other ways. He joined B Corps (Reserve) Signals in 1936, eventually became officer commanding the unit as a lieutenant-colonel in 1943 until his retirement in 1945. He also went over to England in August of 1939 as member of a Canadian Manufacturers' Association mission to review what the United Kingdom required from Canada in the way of defense equipment.

The Finlaysons live in the Hampstead section of Montreal where Mr. Finlayson is president of the Hampstead Municipal Association and sits in on town council meetings in an ex-officio capacity. They have two daughters, Johanne, 20, and Wendy Elizabeth, 13.

* * *

He Knows the Grain Trade

Appointment of Harry Eugene Sellers of Winnipeg as a director of the Canadian Pacific Railway gives the company three board members from the western provinces. Sellers is president of the Federal Grain Co. and its subsidiaries which make it one of the largest corporations in the grain trade.

MR. SELLERS

He was born at Port Arthur which with Fort William is the site of the terminal elevators through which has been cleared untold millions of bushels of the western wheat crop. Almost all his life has been spent in an atmosphere of wheat.

His first job was with a trading firm on the Winnipeg Grain Exchange in the days when it was free from present limitations on operation. After more than 40 years' experience there are few if any mysteries about grain marketing for Sellers.

By nature quiet and cautious in action and deliberate in reaching decisions, he has spent his business life in a trade requiring maximum use of such qualities. That he has never been mistaken or fooled would be going too far. If there is one business in which the unexpected may happen it is the grain trade.

In the last 25 years the grain trade has had some precarious moments. Sellers has not lacked courage to make moves upon which he couldn't guarantee results if he had good ground for thinking they were the right ones. When he did his caution warned him to take careful soundings of the depth and velocity of the stream before making the plunge.

He is president of seven companies, all in the grain business. He is vice-president and director of the Great West Life Assurance Co. and director of other business and financial corporations, among them the Royal Trust Co.

Although never having sought public office he has long been generous with time and effort in fields of public service. He was chairman of the provincial campaign in Manitoba for the National War Finance Committee in each of the Victory loans from 1941-45 inclusive. He is a member of the Board of Trustees of the Winnipeg General Hospital and was president from 1937-39. He is also president of the Manitoba Institute for Advancement of Medical Education and Research, member of the Board of Governors of Ridley College, the Victorian Order of Nurses for Canada, and a long list of other educational and philanthropic organizations. In 1944 the University of Manitoba gave him an honorary LL.B. degree.

* * *

Million Dollar Underwriter

David A. Barton, as new president of the Life Underwriters Association of Toronto at 43, becomes titular head of an organization with some 900 members.

MR. BARTON

The association aimed at improving the status of its members and the life insurance agency generally enables life insurance salesmen to give better service to the public and helps to strengthen the general standards of the profession.

Tall, of medium build, energetic and quick in his movements and with a flashing smile, Barton is a third generation Torontonian, and was educated at Upper Canada College.

He was with the Dominion Bank for some time and then for some years was in the construction business.

During the depression, construction became slack, so Barton sold washing machines. Then, when the stock markets began to pick up, he spent several years with a Toronto Stock Exchange house.

Eventually however in 1941 he entered the life-insurance business, serving with the Prudential of America, Standard of Edinburgh and the Excelsior Life. He quickly proved his aptitude for the business. In 1946 he got his degree as a chartered life underwriter.

He qualified as a member of the Million Dollar Round Table the same year and in 1948 had the distinction of selling over $4 millions of life insurance and annuities.

The following year, 1949, he formed a partnership with R. L. Kayler, (Barton & Kayler, Toronto), specializing in company pension plans, business insurance and estate problems.

He has always been fond of football, hockey, cricket, badminton and golf. He is also an inveterate tinkerer with mechanical gadgets. He admits, however, that his efforts often result in the need to call a skilled mechanic to get the machine working again. In 1934 he married Eleanor Dafoe and they have two boys.

What Others Are Saying

Editorial of the Week

There Is No Rush

Ottawa Journal

An evil in any circumstance, controls which try to control prices without at the same time controlling wages, can hardly be effective. It simply is not possible to put a ceiling on a producer's prices without putting a ceiling on his costs, the greater part of which are wages.

Our own view is that controls, whether across the board or not across the board, whether imposed equably or lopsidedly, should be delayed as long as possible. If the world situation grows worse they will have to come anyway; it would be inevitable that controls in the U. S. would force controls here. But we can see no reason for our rushing into them.

All must admit that something must be done about prices; about an inflation which not only imposes grave hardship upon many, but which, if it be not checked, must seriously endanger our defense effort. Controls by themselves do not always check inflation, but merely tend to disguise it, and do not always in fact bring relief to the consumer. Too often it happens, indeed—it happened under controls in the last war—that price controls bring chiefly a decline in the quality of products.

Other People's Views

THERE ARE SOUND REASONS why Parliament should be sitting soon, declares the **Ottawa Journal.** "For however much Parliament's prestige has dimmed in recent years, it still remains the greatest secular institution that we possess, or that free men anywhere can possess — the very bedrock of liberties."

HORSE COMEBACK is reported by the **Lethbridge Herald.** "But the demand isn't for the Clydesdales, the Percherons and the Belgians which were formerly the source of farm power. The horses wanted today are the Fancy Dans, the riding horses, the trotters and pacers and the flat racers which greater time for recreation is bringing into the picture. The tractors and the trucks have displaced horses in the farm power field, but people now want horses to admire, for pets and for riding for recreation."

BECAUSE SOME PIGEONS were endangered a snowy white owl was ordered destroyed in a Central Ontario town recently. Sharply rebuking the authorities concerned the **Owen Sound Sun-Times** observes: "In this particular instance, there was certainly no justification for destroying a picturesque, fairly rare and useful Arctic bird because it 'menaced' a flock of trashy and probably lousy—and certainly useless semiwild pigeons. At a rough estimate, we should say that one snowy owl is worth about 10 thousand of the type of pigeons which infest and befoul public buildings."

DOOMED ARE THE BIG CITIES of the world because they are no longer necessary, cheerfully predicts the **Midland (Ont.) Free Press.** "Cities originated when men had no transportation worthy of the name. People who worked in an office or a factory had to live reasonably close to the job. They were forced to huddle together. With the great improvement in transportation, however, there is no longer any reason why human beings should live like that. Why do so many do it? Largely from force of habit — and they are getting over the habit."

A THOUSAND REPORTERS, all volunteers, of course, are wanted by the **Listowel (Ont.) Banner** to dig up more local happenings. Recently "the front page of The Banner carried no less than thirty local stories. With no major news happenings scheduled in town, it was obvious, from the outset that we would have to get out and dig. Paragraph after paragraph was scraped together until finally we found we had one of the 'newsiest' issues in a long time. That's why we're calling on our readers to volunteer as reporters and help us run up the score to a new high when it comes to little items of local news. No question about it, it's the 'neighborly' kind of news that we all enjoy."

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Bond Sales $3,100 Million; Up 87% Canadians Bought 90% in 1950

Sales of Canadian bonds in 1950, excluding issues with a term to maturity of less than one year, amounted to $3,100 million, 87% higher than 1949's total sales of $1,658 million according to a review of "The New Issue Market, 1950" by Dominion Securities Corp.

New records were established in employment, production and income. At year-end, economic prospects favored a continuance of general prosperity, a multiplication of inflationary pressures, and the continuance of a high level of capital formation in 1951, the firm notes.

Bond issues for new capital in 1950 aggregated $1,103 million, a decrease of $293 million as compared with 1949. Excluding new capital borrowing by the Government of Canada, however, other classes of security issuers borrowed $834 million of new capital, slightly more than the previous year. Refunding operations in 1950 amounted to $1,997 million as compared with $262 million in 1949, the increase being due to an expansion in Government of Canada refunding operations from a level of $100 million in 1949 to $1,820 million in 1950.

Over 90% of sales of new issues of bonds by Canadian debtors in both 1950 and 1949 were sold in Canada with the balance, amounting to $176 million in 1950 and $141 million in 1949, going at time of issue to investors in the United States. Borrowers whose issues went to the United States in 1950 included the Government of Canada, five provinces, two municipalities and two public utility companies. No borrowings have been made by Canadian debtors in the London market since 1939.

New bond issues by the Government of Canada in 1950 amounted to $2,089 million, of which $1,820 million was for refunding purposes and only $269 million for new capital.

The new capital financing consisted of a fifth series of Canada Savings Bonds, sold only to individuals in amounts not exceeding $1,000 per person with sales totaling $269 million by the end of November. Over 900,000 persons subscribed to these bonds either through chartered banks and investment dealers or by instalment purchases through the payroll saving plan.

Refunding was carried out in three public operations. In May, there was an issue of $745 million of 2% 4½-year bonds and 2¾% 18-year bonds to refund the First Victory Loan 3% Bonds due 1951 and a prewar 3% issue due 1955, both of these issues being called for redemption prior to maturity. In August, the Government sold a $50 million 2¾% 25-year issue in the U. S. market, the proceeds of which, together with an equal amount of funds on hand, were applied to the redemption of a $100 million issue of 4% bonds payable in U. S. currency which were called for redemption prior to maturity. In October, $700 million of 1¾% bonds of the Ninth Victory Loan and a 1946 issue refunded at maturity by the issue of 1¾% 2-year bonds and 2¼% 5 2/3-year bonds.

In addition to these public issues, Canadian chartered banks early in the year purchased $325 million of 1¼% 3-year bonds, issued for refunding purposes.

All the provinces of Canada, except Newfoundland, brought out new issues of bonds in 1950. Five of the provinces — Quebec, Ontario, Saskatchewan, Alberta and British Columbia — went to the New York market for part of their requirements. Aggregate bond issues by provincial governments in both 1950 and 1949 were just over $260 million. New capital, however, accounted only for about half of this total in 1950 as compared with three-quarters of the total in the preceding year. The principal refunding operation was undertaken by Alberta in the U. S. market. As a result of this $61 million of refunding, Alberta reduced the amount of its annual interest charges payable in U. S. dollars and retired all of its debentures which were payable at the option of the holder in Canadian dollars, U. S. dollars or English sterling.

Borrowing by municipalities and schools amounted to $178 million, up $25 million from 1949. As in 1949, new issues by these classes of debtors were almost entirely for new capital. Large and small municipalities in every province are included in the list of borrowers. The cities of Toronto and Vancouver placed issues in the United States.

New issues by railway companies amounted to $82 million, slightly more than in 1949. New capital accounted for $65 million of this total ($14 million in the preceding year). Two issues were made by the CNR, one 2⅞% 21-year issue guaranteed by the Government of Canada for $40 million and one 2¼% 10-year serial issue for $22 million in the form of Equipment Trust obligations. The CPR issued $20 million of 3⅛% 20-year bonds convertible into common stock.

Public utility bodies, including provincial hydro commissions, issued $185 million of new bonds ($349 million in 1949). Refunding accounted for a small part of the 1950 figure. The continuing high volume of new borrowing by this class of debtors reflects the larger scale outlays which are still being made by utilities on additions to plant and equipment.

Debtors in this class who issued longer term securities in 1950 included the Ontario Hydro, B. C. Electric, Shawinigan Water & Power, B. C. Power Commission, Bell Telephone, Canadian Western Natural Gas and Calgary Power. Both Shawinigan and Bell sold issues in the New York market.

Financing by industrial companies by the issue of bonds showed a sharp increase in 1950 as compared with 1949. Total new issues exceeded $301 million ($124 million in 1949). The entire increase was represented by an expansion in new money needs, reflecting the expanding volume of business and high level of capital outlays.

Financing was undertaken by a wide range of industries, and a significant part of the total consisted of new issues by companies associated with the Western Canadian oil industry.

Bond Yields

During the first nine months of 1950, interest yields from high-grade securities in all categories were comparatively steady, although the unprecedented inflow of capital from the United States during the months of August and September exerted upward pressure on prices for Government of Canada securities.

During the fall months there was a significant upward movement in interest rate levels on all classes of high-grade securities of all terms.

The following table sets out the yields on theoretical 2, 5, 9 and 15-year bonds at the year-end as compared with selected earlier dates in 1950 and the average of 1949, which show the extent of the changes which took place in the yields on Government of Canada internal bonds in the latter part of 1950.

Date	Yield on Theoretical Bond Due in 2 yrs.	5 yrs.	9 yrs.	15 yrs.
Av. 1949	1.66	2.24	2.64	2.83
1950—				
Jan. 15	1.73	2.18	2.62	2.75
Oct. 15	1.83	2.22	2.68	2.75
Nov. 15	2.02	2.42	2.84	2.88
Dec. 30	2.20	2.61	2.99	3.03
Increase Dec. 30 over—				
Jan. 15	+.47	+.43	+.37	+.28
Oct. 15	+.37	+.39	+.31	+.28

Sources: Dec. 30, 1950 yields, our estimate; all other yields, Bank of Canada Statistical Summary, Nov., 1950.

This upward movement in government bond yields has extended in varying degrees to securities of provinces, municipalities and corporations. These changes in market levels came about after the abrupt termination of the capital inflow from the United States when the Canadian dollar was set free on the exchange market at the end of September, and after the Bank of Canada announced on Oct. 17 that its rediscount rate had been increased from 1½% to 2%, an event widely interpreted to mean that official policy, because of inflationary conditions, would be directed towards a tightening of credit conditions in Canada.

Aggregate sales of new issues of preferred and common stocks of Canadian companies, excluding issues for undeveloped mining and oil properties, amounted to about $67 million, slightly more than the level of recent years.

SALES OF NEW BONDS BY CANADIAN DEBTORS

Year	Total Bond Sales	GOVERNMENT Dominion	Provincial	Municipal and School	Railway	Public Utility	Industrial and Miscellaneous
		millions of dollars					
1950(1)	3,100	2,089	264	178	82	185	302
1949	1,658	693	262	153	77	349	124
1948	1,982	1,210	194	112	102	229	135
1947	1,147	267	136	254	27	202	262
1946	1,808	889	88	135	82	317	297
1945	3,963	3,591	165	38	25	70	73
1944	3,910	3,624	62	119	26	22	58
1943	3,855	3,670	73	29	18	31	34
1942	2,564	2,431	85	16	—	21	11
1941	1,393	1,297	53	11	—	23	10
1940	1,381	1,180	151	18	—	17	14
1939	821	355	150	31	57	192	37
1938	519	228	106	29	70	55	30
1937	671	299	143	52	66	50	62
1936	769	282	94	34	133	113	113
1935	659	386	123	44	48	15	41
1934	584	349	128	24	33	44	6
1933	529	408	68	42	1	7	3
1932	468	226	136	84	13	6	2
1931	1,250	864	123	87	122	45	9
1930	705	100	158	113	138	143	52
		(Combined)					
1929	628	115		100	198	83	132
1928	424	79		30	43	58	213
1927	608	150		71	80	96	211
1926	560	118		65	35	127	155
1925	459	249		50	41	66	53
1924	593	266		92	157	39	38
1923	493	281		84	28	34	66
1922	483	334		79	13	10	48
1921	400	134		89	101	15	61
1920	319	113		59	97	12	38
1919	909	782		27	35	21	44
1918	764	705		46	5	2	6
1917	756	675		26	23	15	17
1916	317	209		50	16	23	20
1915	342	215		67	38	10	12
1914	273	85		84	59	10	34
1913	374	53		116	109	27	70
1912	273	36		48	70	22	97
1911	267	6		47	101	32	81

(1) Preliminary and subject to change.
Source: Dominion Securities Corp.—Statistical Records.

Distribution of Bond Sales

Class of Borrower	Total Bond Sales 1950	Total Bond Sales 1949	Division of Total: New Capital 1950	New Capital 1949	Refunding 1950	Refunding 1949
	(millions of dollars)					
Government						
Canada	2,089	693	269	593	1,820	100
Provincial	264	262	141	201	123	61
Municipal and School	178	153	177	146	1	7
Railways	82	77	65	14	17	63
Public Utilities	185	349	176	349	9	—
Industrial Cos. and Misc.	302	124	275	93	27	31
Total all Classes	3,100	1,658	1,103	1,396	1,997	262

Figures for 1950, in all cases, are preliminary and subject to revision.

MORT L. LEVY,

of the Imperial Life Assurance Co. has been elected chairman of the Toronto Chapter, Chartered Life Underwriters.

MERSEY PAPER CO. reports that 38 common shares, represented by bearer fractional warrants which have not been surrendered, have been cancelled.

This Man Writes—

Well, I thought I could get along without The Financial Post. So I let my subscription lapse last April. It was tough going and I finally have to give in, so here's my cheque for a new subscription as well as a copy of The Directory of Directors.

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OIL PRODUCTION

Decision on Gas Export Seen By End of Month

From Our Own Correspondent

CALGARY — A detailed survey of the Province of Alberta's natural gas reserves scheduled to be submitted to the Alberta Government this week, was slated to go immediately before the provincial cabinet for consideration.

The survey is that of the Petroleum and Natural Gas Conservation Board.

Before the end of the month, it is planned to make the Board's report public. At the same time the cabinet may release its own decision regarding export of gas from the province.

During more recent weeks, a special Board hearing got down to specifics of the various Alberta gas fields, their reserves deliverability, etc.

* * *

Pincher Creek Program

Canadian Gulf Oil Co. has launched a quarter million dollar research project at Pincher Creek to determine the most efficient operating materials and methods. This is in anticipation of large-scale operations in the field in the near future.

Pincher Creek is accepted as the largest natural gas reserve contained in any known unit reservoir in Canada.

As such, it is a key factor in the various proposals for pipelines to reach new markets for Alberta gas. Operation of the field would make Pincher Creek an important industrial centre, with condensate and sulphur plants in addition to field drilling and production operations.

As soon as assurance of a gas market is given, Canadian Gulf plans a speed-up of development, to bring capital investment in the Pincher Creek well over the $20 millions mark.

John H. Bevel, Calgary-based general manager of Canadian Gulf declares:

"The company contemplates that, with favorable market development, it will be running two or three rigs continuously at Pincher Creek within the comparatively near future. Possibly as many as 20 wells ultimately will be drilled."

Pincher wells go around 12,000 ft. To drill, complete and fully test each well requires upwards of a year, and costs around $900,000. One rig is currently operating.

* * *

More Joe Lake Successes

In a letter to shareholders, President Cody R. Spencer of Superior Oils tells shareholders that since Nov. 8, six more wells have been placed on production in the Joseph Lake area. There are currently 24 producing wells and nine wells which have run production casing and are waiting on service rig.

"Although we had anticipated an adequate supply of tubular goods to assure a continuous drilling program of approximately six wells per month, we now find that due to non-delivery of tubular goods our drilling operations must be curtailed to a maximum of three wells per month," Mr. Cody states. "We are hopeful that casing will be made available for proven production drilling, such as ours, in the near future."

December deliveries from 24 Joseph Lake wells amounted to 33,903 bbl. as against 26,973 bbl. from 18 producing wells a month earlier. Allowable production from wells in the Joseph Lake area has been increased from 43 bbl. a day per well in December to 45 bbl. a day for January.

Superior receives 25% of revenue from Joseph Lake wells until development costs are returned, then 17½% of net profits of the venture.

December production of Redwater wells in which Superior has an interest ranging from 12½% to 13.605% amounted to 20,300 bbl.

* * *

Charter Oil Co., whose shares are being called for trading on the Toronto Stock Exchange next week, reports interest in 24 producing wells in the Redwater area.

In addition, an interest is held in the Benedum & Trees exploration project covering 631,000 acres of crown reservations which are now being explored and developed. Two wells are currently being drilled — one at Valleyview in the Peace River district; a second at Elnora in the Stettler field.

The issued capital of the company comprises $600,000 5% 12-year convertible debentures and 995,000 shares of common stock.

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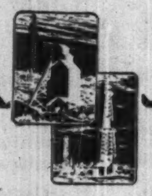

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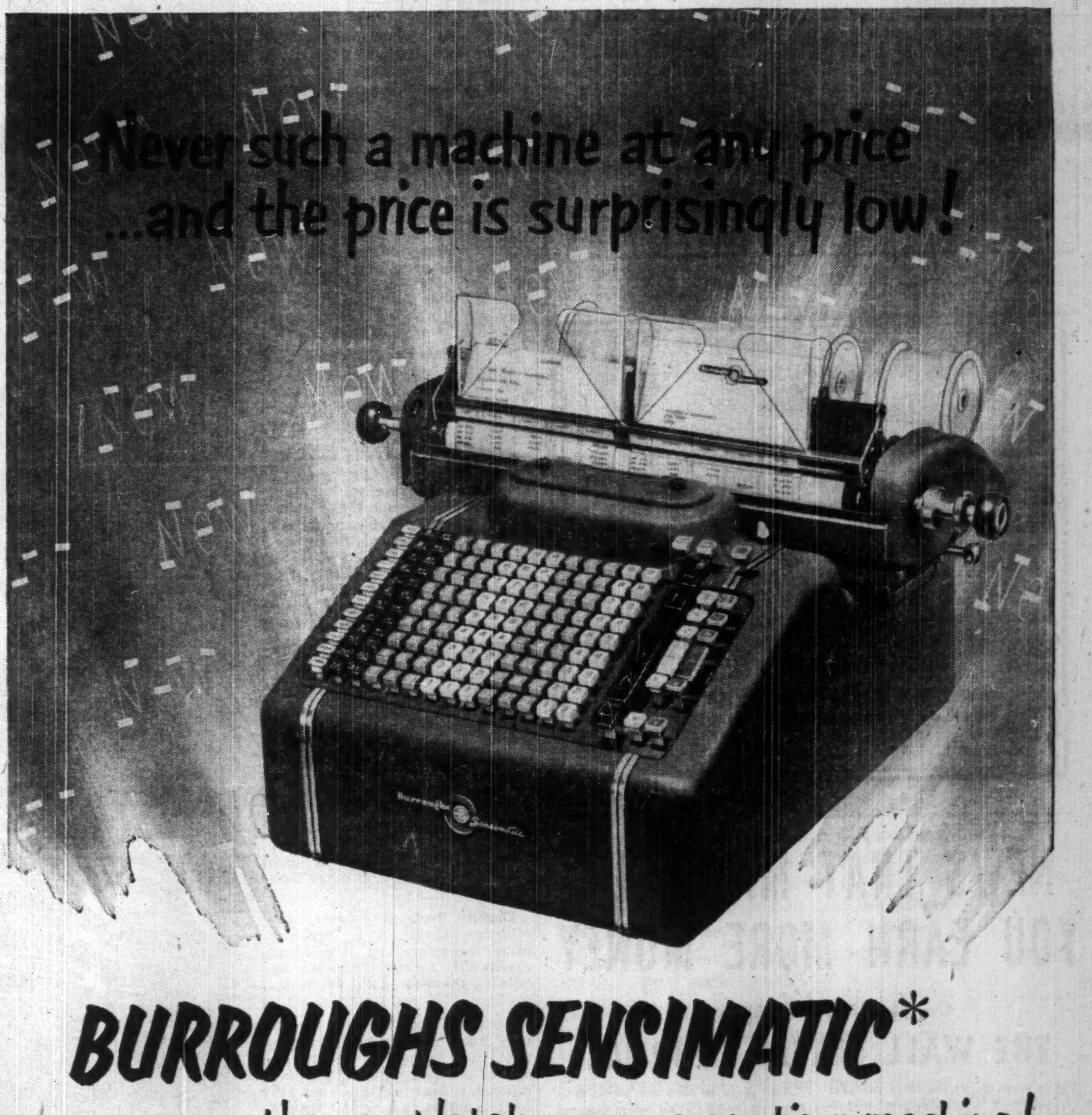
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What Do You Need For Insurance License?

Here Are Important Points For Ontario 'General Agents'

The insurance industry in Ontario (other than life) with the assistance of the Ontario Department of Insurance is constantly making efforts to improve the status of its agents in the province. Accordingly over a year ago new requirements for agents' licenses were drafted. In an address to the Agency Management Course at the University of Western Ontario, Fred W. Spencer, Registrar of the Ontario Department of Insurance, outlined the regulations. Here is a digest of his address.

Here are the department's requirements for an application for an "Other than Life" or "General" insurance agent's license:

Age at least 21.

Pass examination set by the superintendent of insurance.

Whether or not the applicant's other occupation places him in a position to control or otherwise unduly influence placing of insurance is also considered.

Centres of population over 5,000 now present us with the problem of part-time insurance agents. September, 1949, the superintendent reduced the former population limit of 10,000 and also increased fees on the suggestion of the agents themselves. This was done to protect bona fide agents against part-time agents who often had full-time occupations.

Part-time agents already licensed were granted two years—to Sept. 30, 1951—when they will have to decide whether to make insurance a full-time job. I believe only about 80 agents were affected by the change, many of whom have already made that decision.

Since it is not likely a man otherwise fully occupied is able to give service when required, the ruling should benefit the insuring public.

All insurance agents acting without a license are guilty of offense under Sec. 281 of The Insurance Act.

To obtain a license, applications must be sworn to and sponsored by an Ontario-licensed insurance company.

Insurance department officials investigate the application, which must be accompanied by the required fee, and send out a study manual for the qualifying examinations.

Applicants also receive the name and address of the examiner, who is mailed examination questions and other forms to be filled out and returned with the written paper for departmental marking.

Spelling and writing do not influence marking of the papers. A questionnaire gives the marker the applicant's educational background and allowance is made, although essential points of the examination must be correct.

Types of Licenses

"Partnership," "Trade Name" and "Corporation" licenses are also issued.

An application for "Partnership" must be submitted for that type license under Section 290 of The Insurance Act, and all names appear on the license itself. Each partner must also file individual application and pay fees according to the territory in which they operate.

The same form is followed for "Trade Name" licensing, with individual applications filed in the names of those directly interested.

"Corporation" licenses, under Section 291, require certain information on directors and officers, the number of shares they hold and a copy and date of the letters patent.

Subsection 2 cites certain exclusions while subsection 4 deals with officers who may act for the corporation:

(2) Licenses as agents or brokers shall not be issued to a corporation whose head office is outside of Canada or if it appears to the Superintendent that application is made for the purpose of acting as agent or broker wholly or chiefly in the insurance of property owned by the corporation or by its shareholders or members, or in the placing of insurance for one person, firm, corporation, estate or family.

(4) The license shall specify the officers who may act thereunder in the name and on behalf of the corporation and every such officer shall file a statement or application and pay the fee required by this Act for individual agents, brokers or adjusters provided that employees who do not receive commissions and who act only in the name and on behalf of the corporation may so act by authority of the corporation license although not named therein.

Broker or Agent

Here are the "interpretations" at the beginning of the Insurance Act which defines "Agent" and "Broker." Section Number 3 is as follows:

3. "Agent" means a person who, for compensation, not being a duly licensed insurance broker or not being a person acting under the authority of subsection 15 or 16 of section 281, solicits insurance on behalf of any insurer or transmits, for a person other than himself, an application for or a policy of insurance to or from such insurer or offers or assumes to act in the negotiation of such insurance or in negotiating its continuance or renewal.

Sec. 10 defines "Broker."

10. "Broker" means a person who, for compensation, not being a licensed agent or not being a person acting under the authority of subsection 15 or 16 of section 281, acts or aids in any manner in negotiating contracts of insurance or placing risks or effecting insurance or in negotiating the continuance or renewal of such contracts for a person other than himself.

Despite these differences concerning "agent" and "broker," some agencies and individual agents still contravene the Act by holding themselves out as "brokers."

An agent may act as a broker only when dealing with a company or companies with no agency contract in force. This relationship, however, does not extend to acting as a broker for the insuring public.

Question of Licenses

Brokers' licenses correspond with those issued agents. They are not sponsored by an insurance company due to the fact a broker acts for and on behalf of the insured and not the insurer, except in collection of premiums which he takes and remits to the company.

Departmental requirements are more exacting on brokers' licenses. The broker must not only have an intimate knowledge and experience in insurance but also be financially sound. He is also more directly responsible to his client in placing insurance and might find himself defending an action for commission or omission.

There is also a form of license granted to a "Special Insurance Broker." This is dealt with under Section 284 of The Insurance Act and applies to persons who, on behalf of their clients, place insurance with insurers not authorized to transact such business in the Province of Ontario.

Here, again, there is a varied type application to be submitted by the applicant and a requirement by the Department to supply a bond of $5,000 to guarantee faithful performance of conditions stipulated in this section of the Act.

Any agent's or broker's license may be revoked by the Superintendent of Insurance, if he determines that the licensee:

"1. Violated any provision of this Act. 2. Made a material misstatement in the application for license. 3. Been guilty of a fraudulent practice. 4. Demonstrated incompetency or untrustworthiness. 5. Employed any person whose application for license as an insurance agent has been refused or whose license has been revoked or suspended under this part without having first obtained the written approval of the Superintendent."

Should an application for license or renewal be declined by the department, the sponsoring company is notified but the applicant may apply to have his case considered by an Advisory Board.

One of the duties of the department is investigating complaints made by the insuring public agents and companies. These complaints include misrepresentation of coverages, solicitation of insurance by unlicensed agents, operation of unlicensed Insurance Companies, unethical practices by agents, cases involving control of business and undue influence, mishandling of trust funds and failure to keep proper records.

During the last two years the Department instituted 14 prosecutions and obtained verdicts in all of them, resulting in jail sentences or fines. In instances where prosecution was not necessary the persons involved faced an Advisory Board to explain or show why their licenses should not be canceled or suspended.

Trust Accounts

"Insurance Trust Accounts" cannot be stressed too strongly. The Superintendent of Insurance requirements are:

1. That all premiums collected be deposited either "gross" or "net" in a bank account designated as "Insurance Trust Account."

2. That no funds other than Insurance funds be deposited.

3. That withdrawals be limited to payment of company accounts, refunds to assureds for unearned premiums and to the agency itself for actual earned commissions where the gross premiums have been deposited. This also applies to "refunds" because if only net premiums have been deposited the refunds must be made from the agency's "current operating account."

When an agency wishes to pay a company account and some of the premiums have not been collected, we have found that the trust account has sometimes shown an overdraft. This should not be permitted. Mr. Whitehead disapproves of manipulating trust funds in any way. If an agency wishes to pay uncollected premiums to any company, a transfer should be made from the "operating current account." When the premiums are eventually collected there could be a transfer back from the "Insurance Trust Account" to the "Operating Current Account."

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NEWS THAT MAY HELP YOU EARN MORE MONEY

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What's Outlook for Stocks, Bonds, Commodities in 1951?

What is the outlook for common stock, bond and commodity prices for 1951?

Each year, a Toronto group experienced in and concerned with economic and financial questions, at a special meeting, calls on one of its members to forecast in each of the above groups.

Here, briefly, are the 1951 forecasts of the three individuals:

COMMON STOCK PRICES, as measured by the Dow-Jones industrial average, will show a peak of 260 and a lower limit of 220 and close the year near the top of the range, say at 255. The lows are likely to be seen in the summer with a recovery late in the year as it becomes evident, as the forecaster assumes, that World War III will not break out in 1951. The rails' action in New York in 1951, as in 1950, should help the industrials advance. The Toronto Stock Exchange industrials are likely to moderately outswing the Dow-Jones industrials.

HIGH-GRADE BOND PRICES will drift during the first half of 1951 but will then firm up again to around present levels. Specifically long-term Government of Canada 3%'s of 1962, 1963 and 1966 may ease possibly as low as to $98½ but will move up again close to par in the fall.

COMMODITY PRICES will increase not more than 7% so that the Canadian wholesale price index which was 174 at Dec. 1 will be 186.2 next December and the cost of living index will be up about 5% or from 171.1 in Dec. 1950 to 179.7 by Dec. 1951.

(The forecast rarely, if ever, represents the unanimous opinion of the group).

Powerful Market Forces Affect Prospects for Stocks

In making the specific forecasts for the averages as shown above, the stock forecaster commented as follows:

At the beginning of 1951 the stock market seems more of a reflection of abnormal fears than a resolution of normal market forces. At present the fear of inflation is the strongest influence and investors, concerned with the diminishing value of the dollar, are converting their cash and fixed income securities into equities as an inflationary hedge and, incidentally, improving their yield. Coincident with this is the rapidly waning fear of deflation and postwar depression that has disturbed the market off and on for four years.

The other major market fear is that of a general war with the Soviet Union. War fear psychology, dominant immediately following the aggression in Korea, will likely be a force to be reckoned with later this year as the market regards with apprehension the ripening harvests in Central and Western Europe.

These powerful market forces, with a strong emotional tinge, have a tendency to be over-emphasized. Investment in equities as an inflation hedge is sensible up to a point. Acquisition of stocks, however, merely as an indirect claim on assets can be overdone when one realizes that very frequently the asset values are not and may never be realizable. Similarly, the selling of sound stocks solely on a basis of war fears during the past few months has proved an unwise market policy.

I don't believe current market levels are fully discounting either the kind of inflation we are likely to see in the next few years or the outbreak of World War III. We should not be too eager to discard the time-honored yardsticks of earnings and yield in formulating investment policy.

Basis of Forecast

In appraising 1951, I am assuming:

(1) That 1951 will be a year of acute and almost unrelieved tension with hostilities continuing and probably spreading in the Asiastic area but with no general war breaking out in Europe or the Middle East.

(2) That 1951 will be a record boom year in the United States and Canada with Gross National Product in both up about 15% above 1950 (up 7% in physical terms with 8% of the increase represented by prices). Capital investment will be at all-time highs in both countries and may exceed 1950 by as much as 20%.

(3) That economic controls will extend to more areas of business activity as the year progresses, and present corporate and excess profits taxes in the United States will likely be increased moderately later in the year; that an excess profits tax is unlikely for Canada this year but the corporate rates will be increased perhaps by 3%-5%; in the United States corporate earnings will likely be somewhat higher in 1951 than in 1950 before taxes and some 10% lower after taxes after adjusting 1950 for the retroactive feature of the present tax law. Earnings for Canadian companies in 1951 relative to 1950 will generally make better comparisons than in the case of U. S. concerns.

The Stock Averages

In the accompanying table some of the swings of the Dow-Jones industrial averages over the past 16 years are summarized. I have tried to answer the oft-repeated query "Is the Dow Average really historically high?" by translating the average into price earnings ratios and yields over the various periods shown; also expressing it in terms of the spread in yields between the industrial and medium grade bonds (using the Dow-Jones 40 Bond Average as an index). I set out, as a base for projection, the year 1950 on the same basis. My conclusions are:

(1) The Dow-Jones industrial average at 235 at Dec. 31, 1950 was not historically high but in terms of its price-earnings ratio, the yield and the deviation of yield from bond yields was historically low or in any event modestly valued by pre-war, war and postwar standards.

(2) After adjustment for the lower net profit anticipated for 1951, the somewhat lower percentage which I think may be paid out in dividends this year, having regard to the heavy capital programs in prospect and some closing of the gap between stock and bond yields (about 1.5% or 40% of the 1950 spread), the 1951 range shows a peak of 260 and a lower limit of 220 for the Dow-Jones industrial average.

Despite higher corporate tax probabilities later in the year the average will close the year near the top of the range, say at 255. The lows are likely to be seen in the summer with a recovery late in the year as it becomes evident, as assumed here, that World War III will not break out in 1951.

In the rails in New York I believe 1951 will see new highs but the gains will likely be considerably less than the 47% gain registered in 1950.

The Toronto industrials, as in 1950, are likely to moderately outswing the Dow-Jones industrial average which is after all much more of a blue chip affair and also because corporate taxes in Canada aren't likely to be as onerous this year as in the United States.

Golds and Base Metals

The gold stocks group has been in disfavor for some time due to higher costs in recent years with no real relief in sight. Any acceleration of the war effort might cripple them further with stringent labor and material controls. On the other hand, a number of shrewd investors have regarded this group of stocks as a sort of long term inflation hedge and are buying shares in spite of low earnings and low yields but on an asset in the ground approach. The gold index may well have bottomed at 70 and might find a high of 100 in 1951.

The current strong trend in base metals is likely to continue throughout most of 1951 despite allocations and controls of end-use. The better grade stocks will probably see persistent buying on the part of U. S. as well as Canadian investors. The T.S.E. index in 1951 will range from 155 to 200.

Pulp and paper stocks should show better than average industrial performance. A number of investors are beginning to realize that assets in the woods can prove just as good an inflation hedge in the face of present and prospective supply conditions, as assets in the ground. I think a range of —10% to plus 30% from the present prices of the better stocks is not an unreasonable prospect in 1951.

Some of the senior western oils securities that will almost certainly participate in any important new discoveries are probably still attractive for the long pull. Many of the juniors are altogether too dependent upon speculative fervor which means continuing development news. You can purchase many of the senior American oil stocks with very large reserves of oil expressed in barrels per share and obtain good earnings and yields in the bargain. On the whole, I would think this group would trade in a relatively narrow range in 1951 say from 80 to 110 subject to the discovery of a new field.

While the averages undoubtedly deserve study, it should not be at the expense of careful analysis of individual stocks. The stocks in the famous Dow-Jones index in 1950 produced some wide variations. The Average itself gained 18% on the year but for the 30 stocks the changes ranged from 9% to plus 58% and I am sure 1951 will produce similar extremes.

One New York analyst has projected the 65 stocks represented by the Dow industrials, rail and utility averages and the 1951 gains range from 1% to 63%. Of the 30 stocks in the Dow industrials at Dec. 31, 1950, 17 were below their 1946 highs, although the average itself was about 23 points above the 1946 top.

It is more than evident that once an investor is satisfied with the broad trend of the market, the most profitable time he can spend is in carefully selecting groups of stocks and stocks within those groups.

Swings of Dow-Jones Averages

	Range High	Range Low	Average of Index for Period	Average Earns. $	Annual Rate Divds. $	Aver. Price-Earns. Ratio	Aver. Yield %	Aver. % Earns. Paid in Divds. %	Aver. Yield D.-J. 40 Bonds %	Aver. Yield D.-J. Ind's Compared with D.-J. 40 Bonds
5 Prewar Years.										
1935-1939	194.40	96.71	143.85	8.60	6.29	16.7	4.4	73.1	4.9	—.5
6 War Years										
1940-1945	195.82	92.92	135.50	10.36	6.77	13.1	5.0	65.3	4.7	+.3
5 Postwar Years										
1946-1950	235.47	161.60	188.36	20.91	11.43	9.0	6.1	54.7	3.4	+2.7
16-Year Period										
1935-1950	235.47	92.92	154.63	13.11	8.08	11.8	5.2	61.6	4.4	+.8
Last Year										
1950	235.47	196.81	215.55	29.75*	16.13	8.5	7.5	54.2	3.4	† +4.1
(Yield)	(6.9%)	(8.2%)		26.25‡				61.4**		§ +3.5 ° +4.8
Current Year										
1951 (Est.)	260	220	240	23.75	14.25	10.1	6.0	60	3.5	+2.5
(Yield)	(5.5%)	(6.5%)								§ +2.0 ° +3.0

*Estimated. †Average. §High. °Low. ‡Adjusted for new tax rates. **Adjusted.

Has Government Firm Policy On Interest Rates of Bonds?

The bond forecaster commented in part as follows:

As to interest rates I am beginning to doubt whether Canadian financial authorities have a policy to which they will adhere consistently throughout 1951. Generally speaking, I believe that top level monetary decisions will be reached on the basis of expediency, that is on a day-to-day ad hoc basis to cope as effectively as possible with each problem or crisis as it looms up.

If this is correct, long term outstanding Victory Loans will probably be allowed to drift but never too far away in either direction from their anchor at par.

This should not be too difficult for on the demand side of the market there is a hard core of constantly accumulating investment funds, e.g. the increase in assets of life insurance and trust companies, social insurance payments, payments into the government and other pension funds which together with continued high volumes of personal and corporate savings will continue to impinge vigorously on the bond market.

On the supply side there is likely to be a gradual elimination of other types of fixed interest bearing investment offerings as alternatives to government bonds. Even though the government may delay in the establishment of controls, growing shortages of essential materials and supplies and particularly shortages of labor will lead to the deferment of less essential types of building construction and capital programs of municipalities and corporations.

Longer Term Govts.

The longer outstanding Government of Canada bonds, namely the 62's, 63's and 66's, may show a further easing in dollar prices possibly as low as to $98½ during the first half of 1951 when critical developments in the international situation are most probable to occur and when alternative investments are still available in some volume. Bank of Canada support will probably come into the market should there be signs of these issues breaking through that level.

By the middle of the year or late summer, I would anticipate that the downward pressure would be relieved and that the longer term Victories would move up again close to par and pivot about that level for the balance of the year.

I doubt if a defense loan will be brought out this year but that does not rule out refunding operations. Substantial blocks of government obligations maturing in 1951 are held within the banking system, and it may well be that as a deflationary measure a large part of these maturities may be refunded by public issues, possibly one in the second quarter of the year and one in the early fall.

Such refunding issues may take the form of longer term debentures at yields close to an extension of the present yield curve to a 3¼% basis for a 30-year term. This would fit reasonably well into the present yield curve for outstanding issues and moreover would, I believe, satisfy both public and institutional requirements. Further the average term of the outstanding federal debt is roughly eight years so that a longer term of debenture of the order mentioned would not be out of place in the schedule of maturities. If sudden unfavorable developments should make it expedient to borrow for defense purposes I would guess that a public loan for this purpose would also take the form of a long term 3¼% debenture.

Municipal Bonds

Good second grade Ontario municipals i.e. excluding larger cities, will maintain a yield differential of .40% to .50% away from long term Victories for 11 to 20 year maturities. Through the piece, first to twentieth maturities should range from a 3.35% to a 3.40% yield basis.

Prices for good corporation credits will ease to between 3.65% and 4% yield basis for 20-year bonds or debentures.

With regard to supply, there will be a reasonably good volume of municipal and corporate financing during the first half of the year and thereafter a gradual but noticeable curtailment in offerings.

Portents that the Canadian government may not borrow at all for defense purposes were seen from the substantial surplus expected to be on hand at the end of the 1950-51 fiscal year, and from the fact that evidently it is the intention of the Minister of Finance to present a balanced budget for as long a time as may be possible.

Outlook in U. S.

In the United States the most significant incident during the past year from the standpoint of high financial policy was the war of independence waged with considerable success by the Federal Reserve Board against the U. S. Treasury.

Areas of agreement between the U. S. Treasury and the Federal Reserve Board appear to be greater than those of disagreement. Both authorities concur in the need for maintaining orderly marketing conditions in the government's securities market, and both have agreed on defending the 2½% rate on long term issues. Differences have been confined to short-term rates. Should strong inflationary pressures persist, as it seems likely, the Federal Reserve Board may be expected to press for a further rise in such rates and increased reserve requirements which would revive the controversy. We should also remember that in money market policies the Federal Reserve has a very definite task to perform but that the needs of the Treasury come first.

Without hurting the Victories, the U. S. Treasury could offer today a 30-year 2¾% treasury which would be on the yield curve of the 2¼%'s of 1959/62 and the Victory 2½%'s of 1967/72. With the latter as a pivot the Treasury and Federal Reserve could lower the short term rate a bit as the Federal is now doing in the bill market and steepen the now rather flattened out yield curve so that eventually a 30-year 3% bond could be issued without injuring the Victory 2½%'s at current levels. It would be unwise to bet against such financing by next summer, possibly much earlier.

In the United Kingdom, the sterling gilt-edged market will be firmed up slightly in order to make a favorable market for the reception of the Steel Nationalization issue in February. Thereafter, prices may be allowed to drift until mid-year but then will move upwards under inflationary pressures and definitely cheap money policies of the government.

Commodities Face Shortages

Assuming no large-scale global war during 1951 the commodity forecaster predicted:

There will be less durable goods available as strategic materials are diverted to defense requirements. As a result consumer spending will be turned more to soft goods.

Strategic materials such as steel, zinc, copper, aluminum, lead, cobalt, tin, rubber, wool, cotton and the like will be in shorter supply and cost more.

Textiles and other soft goods items, with exception of wool and probably cotton until 1951 crop in, should be in good supply but probably somewhat higher in price because of increased consumer demand as durable goods become less available.

There will be no general shortage of the character experienced during the war years and there will be no rationing.

Food commodities should be in good supply but probably higher in price as a result of higher costs, production costs, principally in farm help.

Price Movements

Commodity prices as reflected by the Dominion Bureau of Statistics general wholesale price index will probably show not more than a 7% increase over the year with most of the increase taking place in the last half of the year as defense appropriations are committed. The DBS index, which was 174 at Dec. 1, 1950, would increase 12.2 points or to 186.2 as compared with a 17.1 point or 10.9% increase from Dec. 1949 to Dec. 1950.

The increase in the cost of living index should not be more than 5%. Thus the index which was 171.1 at Dec. 1950 would increase 8.6 points to 179.7 which compares with a 9.6 points or a 5.9% increase from Dec. 1949 to Dec. 1950.

On the over-all picture, it seems to me that in 1951 we can, as one writer puts it, "have our guns and a generous portion of butter but the butter is likely to cost a little more".

Factors seen forcing prices up were the higher defense expenditures, the continuation of the domestic capital expansion boom in 1951 and the accompanying outpouring of buying power generated.

On the other hand the forecaster saw, as offsetting factors, the greater productive capacity of both Canada and the United States, the substantial satisfaction of the backlogs of demand for consumer goods since the end of World War II, civilian commitments to repay debt obligations, advance buying by consumers as a result of Korea and possible government action and controls.

HARRICANA GOLD MINE INC. (1939) reports that by agreement of Dec. 2, 1950, with Wilson River Mining Syndicate two unpatented mining claims were purchased in Dasserat Twp., Que. for consideration of $10,000 and 100,000 shares of stock of which 10,000 shares are free and balance is to be released at the rate of 10,000 shares a month. Issued capital is 4,494,724 shares, leaving 505,276 shares in treasury.

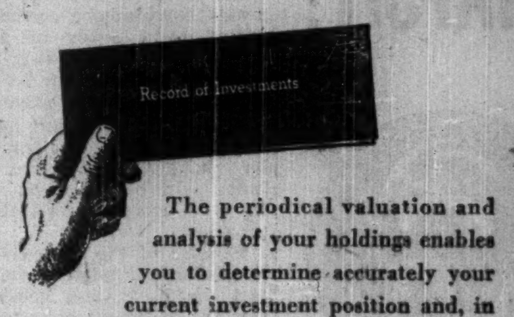
Stock Yields Down At Midmonth

Average yield on 114 dividend-paying stocks on the Toronto Stock Exchange as compiled by Moss, Lawson & Co. on prices of Jan. 15, 1951, was 5.36% down .20 from the previous week. The current yield compares with 5.84% a month ago and 5.98% a year ago.

Yield on mining stocks dropped sharply to 5.61% from the previous month's 6.69% and 5.80% a year ago.

Common stocks yield declined .15 to 5.47% (5.82% a month ago, 6.35% last year). Preferred and "A" stocks were down .07 at 5.35% (5.51% last month, 6.08% a year ago).

Yield on bank stocks was down .01 at 3.67% (3.76% last month, 3.71% a year ago).



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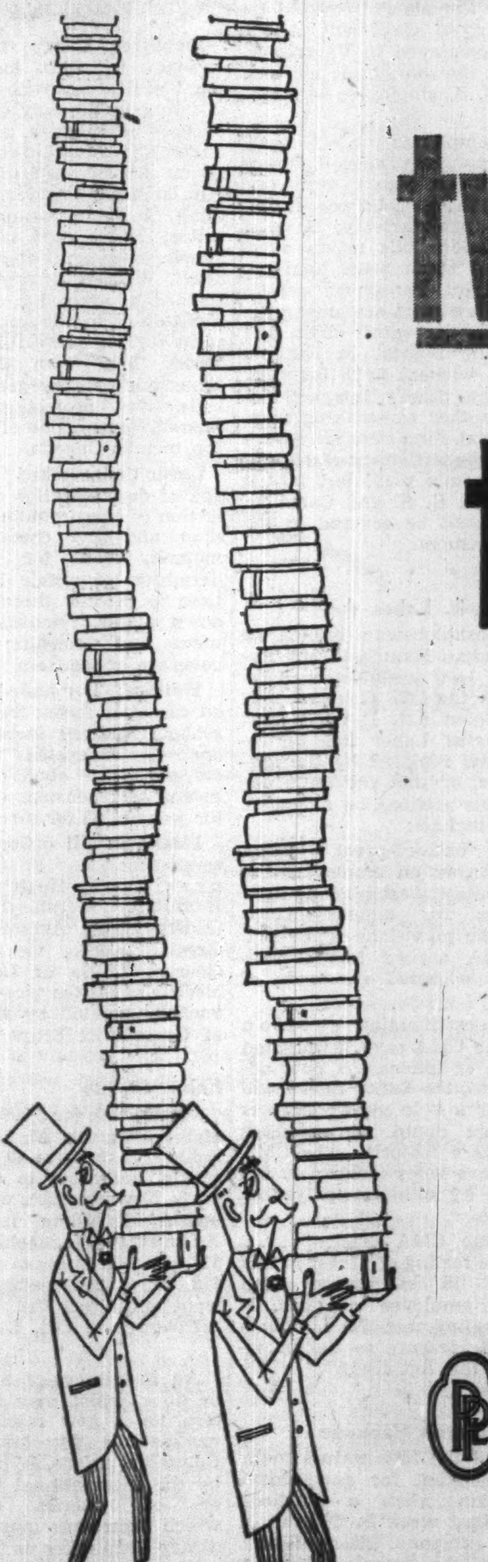

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LABOR ROUNDUP

By RONALD WILLIAMS

Will Cost-of-Living Index Tie-up Be Cornerstone of Wage Control?

For good or bad, the United States Government seems committed to a policy of gearing wages to the Cost-of-Living index as the basis for its wage-price stabilization program.

No decision has been made so far, but it seems clear from what has happened that the COL index will be the pivot of the U. S. economic stabilization program.

Because of the close economic and defense link between Canada and the U. S. and because on controls so far we have followed the U. S. pattern, the feeling is growing that Canada will also follow suit on wage-price policy.

The groundwork for such a policy has already been set here and in the U. S. It's estimated that close to 60,000 Canadian workers are already covered by long-term agreements which include some form of escalator arrangement tying wages to the COL index. In the U. S. the figure is closer to a million.

What observers think clinched it as far as U. S. government policy is concerned was the recent railway settlement. It followed the principle established earlier in the automobile and other industries. Beginning April 1, the wages of 300,000 railroad workers will go up or down 1c an hour for each point change in the U. S. price index.

This gives the railwaymen a better deal than auto workers and others. Until now the ratio has been 1c for every 1.14 rise in the COL index; in Canada 1c for 1.3.

(Last week the railway union tossed a monkey wrench in the settlement by rejecting the Washington formula.)

The U. S. railway settlement and the new approach of the government went almost completely reverse to the policy government wage stabilizers were attempting to hammer out. Like a good many Canadian employers, the U. S. Wage Stabilization Board members felt that escalator clauses—annual productivity raises and wages geared to the cost of living were automatic, built-in wage inflation and should be eliminated from all contracts.

But labor was almost completely sold, at least the aggressive section of the CIO, which pretty well holds the key to important defense industries. In the interests of industrial harmony and maintenance of production, the government felt that it had no alternative but to go along.

Briefly, the new U. S. wage policy seems to be:

—Wages are going to be tied to prices for the duration.

—The principle of adjusting wages with every change in the Cost-of-Living index will be extended to cover all workers.

—The government will concentrate its powers on the job of holding down prices which, in turn, will hold wages down.

Ironically, the record of Canada, Australia and New Zealand in pegging wages to prices during the last war is being advanced in the U. S. by those who favor this sort of policy.

What they seem to be forgetting is that the key to the success of this wage-price policy was subsidies, principally on meat and dairy products.

Ostensibly, the U. S. has taken its first step under this new policy. Following its order to automobile manufacturers to roll back prices to the Dec. 1 level, Washington froze automobile wages until next March. Actually, say Washington experts, it means nothing. It was merely a gesture to placate certain sections of the community. Actually there can be no interim change in wages in most auto plants because the contracts themselves provide for no change until that time.

* * *

Steel Union's Drive

The CIO Steelworkers' drive for interim raises has started to pay off: last week the Steel Co. of Canada, the No. 1. employer on the steel union's contract list, came through with a 5c increase. Being the pace-setter, Stelco's settlement will likely become the pattern for the rest of the steel industry — primary and secondary.

Meanwhile, the Steel union was making gains elsewhere: they added another brick to the foundation for what labor hopes will be master International contracts covering plants in the United States and Canada. CIO Auto Workers started the ball rolling by getting an agreement covering Auto Lite plants in the U. S. and Canada. This month Steel signed an agreement covering American Can Co. plants on both sides of the border in which Steel is the bargaining agent.

This means most of American Can's plants in the U. S. but only the Vancouver branch of six plants in Canada are covered by the new-type agreement. About 300 are employed in Vancouver. They get the same basic increase as the U. S. employees — 12½c an hour.

No attempt was made to completely eliminate wage differentials between plants with one stroke of the contract pen. It will be done progressively; 5c now and 5c later. This means some plants got much more than the basic 12½c. Vancouver wasn't one; its base rates are among the highest in the entire chain and among the highest in Canada: $1.23 for women: $1.28 for men.

Next on Steel's International list is another can-making firm, Continental. First steps here were taken in the settlement of a strike at the Toronto plant last fall: it was agreed U. S. and Canadian plants would be covered in the next agreement.

* * *

Scrap Sask. Labor Act?

The Saskatchewan branch of the Canadian Manufacturers' Association last week renewed its attack on the CCF Government's Trade Union Act. It urged that the Socialist Labor law be repealed and replaced by the federal code, or that the more objectionable sections be amended. These include:

—The "onus-of-proof" section which throws on employers the responsibility of establishing their innocence for actions which violate the provisions of the Act. The CMA argued this is contrary to accepted standards of justice.

—The certification section which the CMA says is weighted in favor of unions. As now administered, the Labor Board will not order a vote unless there is reasonable doubt an applicant union has a majority. The CMA would have votes ordered on application by either employer or employee.

Said the CMA brief: ". . . there is a feeling of unrest in this province in connection with employer-employee relations. It is our feeling that this is due in no small measure to the provisions of the Act itself."

* * *

Massey-Harris Package

Most of the time unions make the application for government conciliation when a deadlock occurs. Last week in Toronto, it was the company: Massey-Harris applied to the Ontario Labor Relations Board for help in settling a contract dispute with the CIO Auto Workers covering 8,000 workers in plants in Toronto, Woodstock and Brantford.

Conciliation was sought when the union turned down the company's final offer of 12½c an hour package. This included 6c given last October as a "down payment" to take care of changed living costs. It was agreed then that this would be part and parcel of the new contract settlement, effective Dec. 21.

Other elements in the "package": an additional 3c an hour effective Dec. 20 when the old contract expired; the company to double its present payment for Group Insurance, giving increased coverage to employees and families; three weeks holiday with pay after 15 years instead of after 25 years; minimum make-up rate for piece workers to be $1.15.

The company also offered a two-year contract with an escalator arrangement giving 1c raise for every 1.3 point rise in the Cost-of-Living index and 3c hourly annual improvement factor at the end of the first year.

* * *

Whose Side Are They On?

After the lickings they have been getting in labor, the Communists have started to concede defeat by default: they didn't as much as put in an appearance at last week's annual convention in Toronto of the Ontario Federation of Labor (AFL). The congress set up a screening committee but it had little work to do; five delegates were questioned, three barred. None were known Communists, although all were suspected of Red sympathies and affiliation.

This left the convention free to spend all its time on traditional labor problems, and some new ones, chiefly, rent and price control. They want price control back and rent control retained.

On Prices, there was a sharp clash of interests over the price of milk: one faction centred by the Milk Driver's union wanted a higher price to permit them to get higher wages; another group led by the Distillery Union thought prices were already too high, asked for a Royal Commission to investigate. A Distillery spokesman said the price of milk had gone up so much that people are beginning to wonder what's behind it. Said President A. F. MacArthur in supporting the milk drivers: Milk has gone up less than any other commodity. Then in a reference to the Distillery union: "And much less than the commodity of the organization which introduced this resolution." A typical compromise was worked out satisfactory to both sides: The OFL will ask for milk subsidies. That will keep the price down and let the milk drivers have their raises as well.

Employee - Employer relations: Lawyers who act for management in dealings with unions are standing in the way of progress, charged Jack Bruce, a top officer of the AFL Plumbers and Steamfitters. An advocate of less labor legislation and "government coddling" and more union economic action, Bruce said lawyers are keeping employers and employees apart. With that most delegates seemed to agree but not on the question of legislation. It was all right for big powerful unions to "row their own boat" but thousands of unorganized need legislative protection, argued Russell Harvey, one of the AFL's top men in Canada.

Labor Code: Asked for elimination of decertification clauses; insertion of one providing for union shop and the check-off if a majority vote for it; extend definition of unfair labor practices to include threats to shutdown plants, removal of equipment and lockouts; extend coverage of teachers.

Welfare: Demanded subsidies on essential foods; free milk for school children; increased baby bonuses; reiterated TLC stand on pensions: abolition of the means test; pensions of $65 at 60 for women, 65 for men.

Elections: All officers but one re-elected: A. F. MacArthur president; Hugh Sedgewick, Hamilton, secretary; William Godfrey, Port Arthur and Bert Green Toronto, vice-presidents; George Beadle of London was elected to fill the vice-presidency vacancy created by the purging of Communist Bruce Magnuson.

* * *

Labor Briefs

Work week for 5,000 employees of Trans-Canada Air Lines will be reduced from 44 to 40 hours next spring, according to Ottawa reports. New contracts with various unions, including International Association of Machinists give $15 a month raises to juniors and $18 for skilled trades. Increases went into effect Dec. 7 and were retroactive to Oct. 1.

* * *

An interim wage boost of 10c an hour, which may set the pattern for a new round of wage negotiations by large British Columbia unions, is being asked by the International Woodworkers of America (CIO-CCL), which represents most forest industry employees in B. C.

The move was apparently prompted by fear that government wage controls may be imposed before the present contract with lumber operators expires in June.

A 10c increase for the province's 32,000 woodworkers would cost at least $6,000,000 a year. They were given a 12½c raise last June 15.

Road Study Program Launched In 6-point Improvement Plan

DEAN HARDY

Steps toward long term planning for improvement of Canada's road conditions, driving hazards and city parking problems will be undertaken soon by the Canadian Good Roads Association.

A national, non-political, public service road research group, the CGRA expects to receive "generous support" from various branches of industry with a stake in more and better roads.

Hon. J. T. Douglas, association president, has announced that Robert M. Hardy, dean of engineering of the University of Alberta, has been named to work out a research plan to gather data on road conditions as a step toward definite improvement plans.

Assisted by construction engineers, traffic authorities, economists and others a pilot study will be first made of road improvement projects now being made in Great Britain, the United States and elsewhere.

The plan, once evolved, will be designed to help highway traffic of all kinds move safely, expeditiously and economically, bearing in mind the tremendous annual waste of dollars and resources because of lack of roads or inefficient and out-of-date roads.

The following specific problems will be given to a committee under Dean Hardy for study:

1. Improvement of road layout and design toward promoting safe and efficient traffic flow and reducing operating cost of road transport.

2. Examination of materials and methods of construction with the object of producing safer and more durable road surfaces and reducing costs of construction and maintenance. (In this connection, special emphasis will be placed on research toward developing materials from Canada's own natural resources.)

3. Parking, which involves community planning and allied problems.

4. Road safety—layout and design, vehicle design, human behavior such as studies in accident-proneness.

5. Weather—studies regarding winter driving conditions, ice and snow, rain, fog, flooding.

6. Encouragement and promotion of driver training instruction in high schools.

The services of the CGRA will be fully available to governments and any who might need information or guidance. The group has been endorsed by national organizations in the field and full co-operation in carrying out the initial studies has been extended by the National Research Council.

GUARANTY TRUST CO. OF CANADA net profit for the year ended Dec. 31, 1950, amounted to $114,084, up 19.3% from the previous year's $95,664.

Assets under administration totalled $66,946,641 at year's end, up $6.85 million. Deposits by the public at $20,141,926 were up $1.98 million over 1949.

Annual meeting will be Jan. 25, 1951, in Toronto.

	1950	1949
	$	$
Liabs. to public*	20,195,973	18,210,210
Shareholders' equity	1,894,655	1,843,071
*Secured by:		
Mtges. & sls. agree.	7,739,298	6,777,134
Office premises	322,764	188,492
Liquid assets‡	14,028,566	13,087,655
Total	22,090,628	20,053,281
‡Includes bonds and stocks.		
Estates account	44,856,014	40,041,836
Net profit	114,084	95,664
Earned per Share	$0.91	$0.77
Paid	0.50	‡5.00

‡Before 10-for-1 stock split in Dec., 1949.

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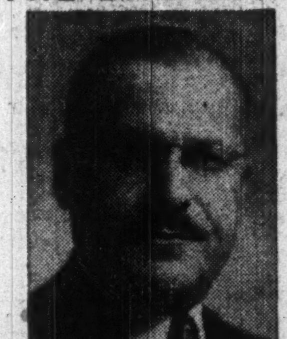

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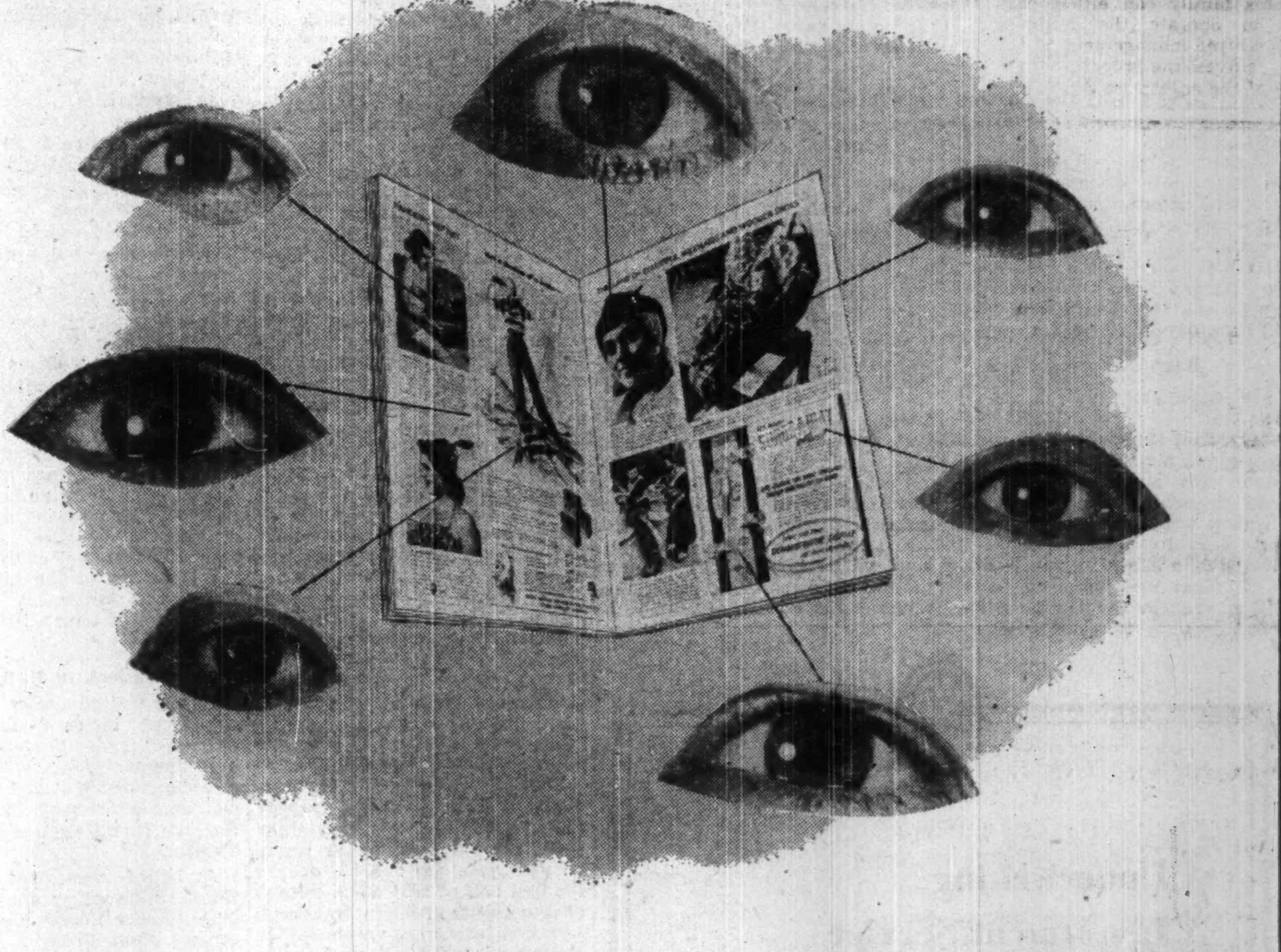

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And in the rotogravure sections of the Big Four National Week-end Newspapers your advertisement is not only *seen* and *read* . . . but it is seen and read by *more* people because this group of publications takes it into 1,792,330 homes, French and English, from coast to coast, with little duplication. Thus, you get *greater* reader interest among a *greater* number of people than in any other similar type of media . . . and at a cost, in full-page MONOTONE, that is 1/3 of a cent per family—even less per reader!

THE BIG FOUR *National* WEEK-END NEWSPAPERS OF CANADA

STAR WEEKLY
LA PATRIE
LA PRESSE
THE STANDARD

Tax-Free Pension Plan Payments for Self-Employed?

How could the Government allow professional and other self-employed individuals to build up pension plans from tax-free income so that they would have a similar concession to employees contributing to an approved pension plan? Should this be done?

The "Silverson Plan," which has been advocated in the United States, offers one solution to this problem. It suggests such individuals be allowed to postpone payment of income tax through nonassignable government bonds purchasable out of tax-free income, proceeds to be taxable on realization. Here is a special Post report on the plan.

Here's How "Silverson Plan" Would Use Government Bonds

Here is a digest of an explanation of a new tax plan as presented by Harry Silverson of the firm of Silverson & Allison, New York City, to the Fourth Tax Conference of the Canadian Tax Foundation in Toronto.

By **HARRY SILVERSON**

The U. S. income tax law ignores completely, and the Canadian income tax law almost as completely, the fact that the lifetime earnings of salaried and professional individuals are parabolic.

During schooling, there is no earned income; in the earlier years of professional or other personal service career, such income is usually nominal or small; the curve then moves up until the period of peak earnings is reached; and it finally ends with a precipitate drop upon retirement or death.

The investor may experience some falling off of income because of illness or retirement. But neither event wipes out his entire income. Not even death does that. The capital which produced that income is still available to the family. When death touches the salaried or professional man, his income—and what is even more important—the source of his income, ceases instantly. As Andrew Mellon succinctly put it, earned income "is uncertain and limited in duration; sickness or death destroys it and old age diminishes it."

The advantage of investment income over earned income becomes more patent if we consider the position of a successful business carried on in corporate form. In most cases the owner need only draw enough from the business to cover his personal living expenses and personal income tax thereon. The remainder of the corporate earnings are subject to the corporate tax rate rather than to the higher individual surtax rates. If the business is successful, it can expand and increase in net worth over the years—which is a form of savings largely within the control of the taxpayer. If the expansion is not of such proportions as to remove the challenge of the special tax imposed on unreasonably accumulated earnings, the impact of the individual tax on any dividends paid can be minimized, with varying degrees of success under our respective tax laws, by gifts of stock within the family circle.

What Happens To Estate?

When our typical businessman dies, his family can either continue to operate the business through hired management or sell it and reinvest the proceeds. Upon a sale of the enterprise, the estate may realize many times the original investment of the decedent, particularly if saleable goodwill has been built up. And such goodwill may be attributable in its entirety to the founder's past personal services.

Contrast this with the plight of the family of a deceased attorney. Even if succesful, he has been required to foot a tax bill calculated on the demonstrable fiction that his peak income would continue forever. No opportunity is afforded him to divide his income between a corporation and himself and thereby build up a nest egg for a rainy day; no opportunity is afforded him to shift income into the lower brackets of those close to him; and no opportunity is available to him or to a salaried individual to build up a saleable goodwill which can be translated into cash following death or upon retirement.

So, after spending a lifetime paying taxes at top rates on every last penny of income, and spending all of the remainder of the bulk of his income in maintaining a standard of living calculated to attract a clientele which will yield the income to be subject to these top rates, it follows almost inevitably that this vicious circle leaves his widow with only uncollected accounts receivable and unbilled work in process as her major assets.

After Retirement

Nor is the story much different upon retirement. The successful businessman can step out and permit hired management to run the enterprise, living thereafter either on the previously accumulated earnings or post-retirement earnings of the business, or both. If that is not feasible, he can sell out and have adequate provision made for his retirement period. If he has sufficient foresight, he can establish a pension fund while he is still active, include himself therein, and thereby effectively postpone the personal income tax on a portion of his salary to the time of retirement. It is thus evident that the successful businessman is enabled in various ways to postpone the full impact of high surtax rates on a portion of his income to a later day. He is enabled, by pursuing normal business practice, automatically to flatten any incipient parabola in his income. Consequent exposure to the merciless progressive surtax rates is thereby avoided except by those whose continued enjoyment of high income, even after retirement, entitled them to no surcease.

Only the salaried and professional individuals are denied this opportunity of projecting some portion of their incomes forward for purposes of taxation, and they are the very taxpayers who should first be accorded that opportunity. Because, as has been pointed out, their continued enjoyment of income is, with rare exception, peculiarly dependent upon continued life and good health. As Miss Dorothy Thompson has so pungently put it in referring to the earned income taxpayer, "He has to go on until he drops dead from overwork, fearing even that release because when his earning power stops, his family can starve."

Under Pension Plans

Partial recognition of the problem, however inadvertent, is found in those provisions of our respective tax laws which permit employees who are participants in a pension plan to defer paying tax on amounts still being accumulated for their benefit until such amounts are actually received. To the extent that your law, unlike ours, also permits the contributions of an employee to such a fund to be deducted by him, you have made further progress along this line than have we.

While I have suggested that these pension provisions represent progress in recognizing the peculiarly fallible nature of earned income and the need for projecting the taxation of some portion of it, however small, to a later period in life, in another sense these provisions accentuate the inequity of which I have spoken. For, in giving relief to only a portion of the earned income group, the vast majority of that group are being discriminated against. Nor is it reasonable to assume that that majority will become participants in a pension plan in the foreseeable future.

Thus, during 1949, the major unions in the United States sought, and succeeded in obtaining, pension benefits for their members in lieu of wage increases. But the vast majority of wage earners are not employed by those whose finances permit the creation of a pension fund. Nor is this device available to the self-employed.

To correct this situation I proposed several years ago to the Ways and Means Committee of the United States House of Representatives, the extension of the projection principle implicit in the treatment of pension funds to some portion of all forms of earned income. This proposal was subsequently introduced in the House, under the sponsorship of the American Institute of Architects, with the support of various other personal service organizations.

The U. S. Proposal

The bill (H.R. 3224) permits every taxpayer with earned income, within specified limits as to amount, to create his own tax deferred pension plan through the purchase of a special type, low interest - bearing, non - assignable United States government bond. Amounts so invested are excluded under the bill from taxable income, but the full proceeds of the bonds, principal as well as interest, become taxable in the year when the taxpayer chooses to redeem such bonds. In the event of death, the named beneficiary of the bonds is permitted to redeem them over a period of ten years and include the proceeds in his or her tax returns as redemption occurs. This latter procedure conforms to the American system of taxing a decedent's income which is received following his death. In order to prevent duplication of exclusions from taxable income, the bill further provides that there is to be deducted from the amount otherwise excludible from taxable income deductible amounts paid into a pension fund.

It is believed that this proposal would be relatively simple to administer. In a year of purchase, taxpayer would attach to his return the slip or slips evidencing the acquisition of the bonds, furnished him by the bank or other institution through which he made such acquisitions. In a year of redemption such bank or other institution would forward an appropriate information slip to the appropriate authorities.

The obvious effect would be to shift income from years of high earnings to those of lesser or no earnings. To this extent, at least, the parabola would be flattened and the measure of ability to pay made more accurate.

This proposal was put forward at a time when it was believed that we were heading into a peace economy. However, as convinced as many of us were concerning the merits of the proposal in a peace economy, we believe that it is peculiarly well suited to a defense economy.

Question of Inflation

One of the major economic problems in such an economy is that of inflation. Most economists are agreed that the two major weapons in battling inflation are: increased production and decreased demand for civilian goods and services. Unfortunately there are limits to production, particularly as defense demands increase. And as these demands increase, the amount of dollars fed into the stream of purchasing power mounts in direct proportion. The major objective in the fight against inflation therefore becomes more and more that of decreasing civilian demand in the face of an increasing supply of currency.

The considerations which determine the tax and other governmental fiscal policies in a peace economy necessarily become subordinated to those considerations which best serve the anti-inflation fight. Even the raising of revenue, however important, gives way to measures which have utility in reducing purchasing power. After all, of what importance is a given amount of revenue if the cost of defense items for which this revenue is being raised mounts more rapidly than would be the case under a fiscal measure raising somewhat less revenue but which is calculated to keep costs down.

A universally acknowledged medium for neutralizing purchasing power is the sale of government bonds. During the last war, savings bond drives were resorted to with great frequency. At one time over 25,000,000 persons in the United States were regularly purchasing these bonds. Such purchases were made under an appeal to patriotism. In a defense economy, short of all-out war, when the patriotic reason for buying bonds cannot possibly be as strong, the tax incentive is, in my opinion, of overwhelming importance.

Purchase of Bonds

Two additional reasons which obtain in the United States make it of the utmost importance presently to encourage large scale individual purchases of government bonds are:

(1) Most of our individually held government bonds mature ten years from date of issuance. Since these bonds were issued in large volume shortly after Pearl Harbour, the amount of maturities falling due between 1952 and 1955 will total approximately $21½ billion. The result of this fact could well be that bonds redeemed will exceed the amount of bonds purchased unless the incentive for such purchases is strongly increased.

(2) Financing requirements of the Treasury not met by individual bond purchases are usually met by purchases by banks. Since bonds so held by banks can be used as the base for extension of credit, the ingredients of a disastrous credit inflation mount in direct proportion as the holdings of government bonds by the banks increase. It is thus of the utmost importance to sell bonds to individuals, not only for the purpose of diminishing effective purchasing power, but for the equally important purpose of diminishing the base of credit inflation.

Some of us believe that peak employment and consequently prosperity are permanently with us. The time may come when our worries will be those of recession or depression rather than of inflation. During such a period it could well be a blessing if the general population redeemed billions of government bonds theretofore purchased, thereby adding to the stream of purchasing power and to revenue receipts as well without impinging on such purchasing power. The bonds of the type we are here discussing will, of course, do just that to the extent that they would not have been bought during the inflationary period but for the tax incentive. Finally, as these bonds are redeemed during a deflationary period, refinancing by sales of equivalent amounts to banks will necessarily be increased, thereby increasing the base for the extension of credit — an obviously desirable antidote to an excessively deflationary trend.

The Objections

What are the objections which have been advanced to the adoption of this proposal?

(1) It has been urged that low-bracket taxpayers will not benefit as much as those in the middle and upper brackets. Given a progressive rate structure, is not this result inevitable? Any deduction benefits a higher-bracket taxpayer more than it does one in the lower brackets. Furthermore, in testing benefits, one must consider not only the saving in the year of purchase but the tax cost in the year of redemption. It is only the net saving which is the true saving. Therefore, a taxpayer in the 60% bracket in year of purchase who is in the 40% bracket in year of redemption saves no more than a taxpayer who is in the 20% bracket in the year of purchase and who, because of personal exemption and other deductions, pays no tax in the year of redemption. Finally, this objection can be put completely at rest by an appropriate maximum, expressed in dollars, for which a deduction can be claimed in the year of purchase.

(2) It has been urged that an inequity will be created within the earned income group as between those who can afford to buy the bonds and those who cannot. To the extent that the fight against inflation is of paramount importance in a defense economy, this objection is of even less validity now than it was when the plan was first proposed. For even in a peace economy, I don't see why those persons who are in a position to participate in the bond plan should not be permitted to do so merely because others cannot, or as I prefer to believe, choose not to participate therein. The same gentlemen who advanced this objection were primarily responsible for our so-called split income regime in the United States. They were apparently not deterred from sponsoring that regime in the face of the undeniable fact that some bachelors or widowers cannot, for one reason or another, marry, or perhaps prefer payment of higher taxes to that status.

Change Tax Philosophy?

(3) It has been asserted that the proposal changes the basic philosophy of our tax laws in that it introduces the concept of a tax on spending rather than a tax on receipts. Under current conditions this objection rather points up the desirability of the proposal. But even in a peace economy the objection is hardly tenable, involving as it does a tax on spendings only to the extent that the pension provisions of the tax law can be said to do so.

(4) The Association of the Bar of the City of New York has endorsed the proposal but objects to permitting redemptions of the bonds prior to age 60. The objection is grounded on the proposition that if the proposal is designed to place the entire earned income group in the same position as those participating in a pension plan, parallel treatment requires deferring ability to redeem until retirement age is reached. In the first place, under many pension plans, amounts are payable before retirement, e.g. upon severance of employment. More important, however, is the fact that once a pension plan is set up it tends to continue in operation barring financial difficulties. By contrast, the decision to buy or not buy bonds would be an annual one. The inability to redeem at will might well determine such decision. Furthermore, it is desirable, in my opinion, to make the proceeds of these bonds available during the period of recession or depression as an antidote to excessive deflation. The bill does provide a deterrent against indiscriminate redemptions by providing for interest payments only where a bond is held a minimum of five years.

(5) It has been asked why the suggested deferment program should be limited to earned income. If it is sound as to earned income, why is it not sound as to every taxpayer? I submit that the validity of this inquiry depends upon the correctness of my analysis as to the inequity which peculiarly affects earned income, particularly under a progressive rate structure. If the continued enjoyment of earned income does depend upon the continued life and well-being of the earner, whereas the same can be said of investment income only to a limited extent; if recipients of investment income have greater ability to pay because of the ownership of capital; and if earned income is parabolic whereas investment income is not, it follows that the granting of equal deferment opportunities to both types of income would perpetuate the indicated inequity. It may be that fiscal reasons make it desirable to depress the purchasing power available out of investment income. If so, that result should be accomplished either by additional taxation or by compulsory bond purchases, without introducing any element of tax deferment.

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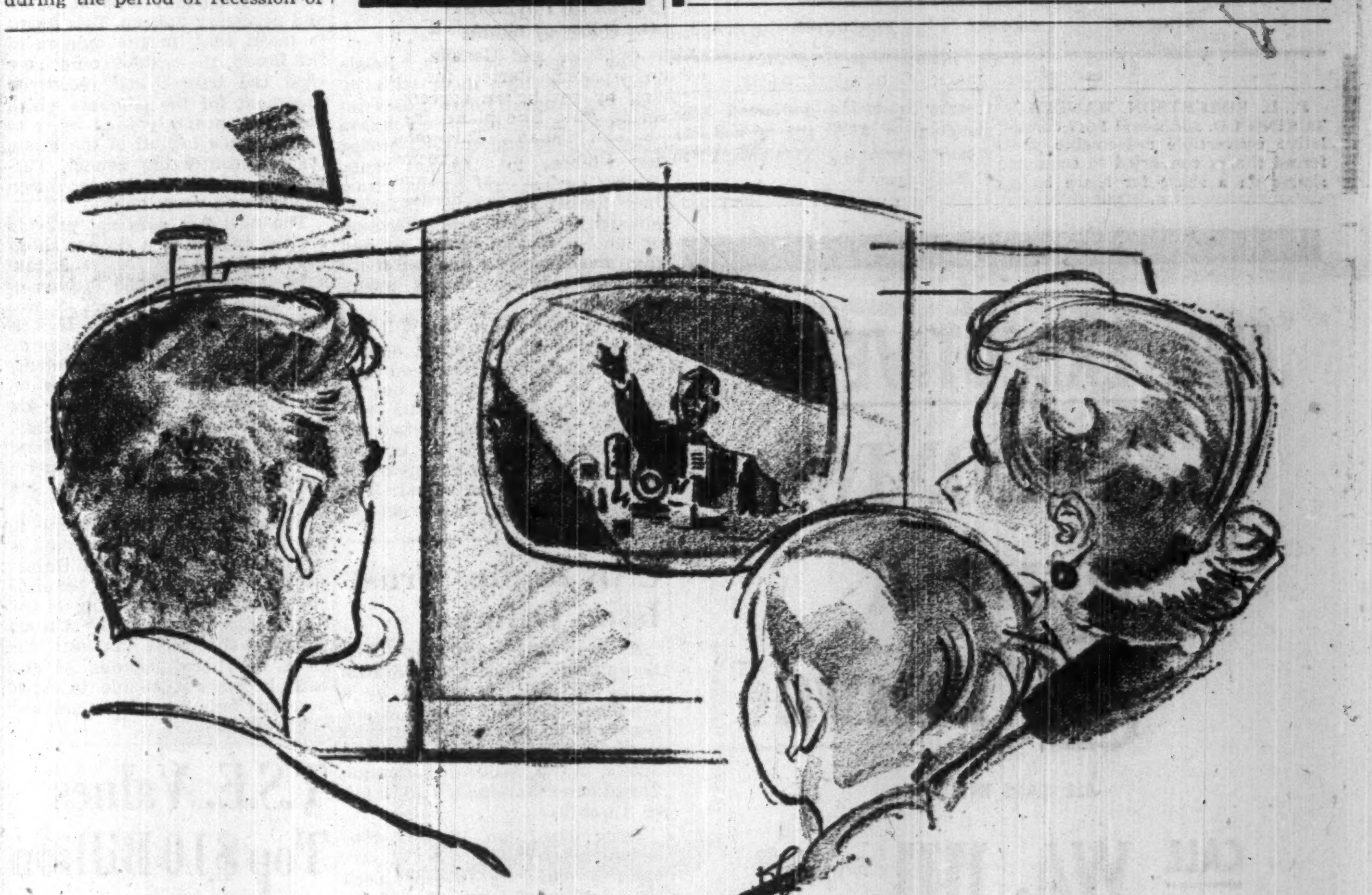
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A cook book offer on an afternoon cooking show produced 11,000 requests — accompanied by cash — in three days.

A dairy offered a seasonal novelty through local 20-second TV announcements. Within two weeks more than 50,000 orders came in — a 500% increase from pre-TV days.

But to make use of television's potential is no easy, last-minute job! To solve problems of programming and selling you need intimate experience with this new medium.

The J. Walter Thompson Company has worked closely with television for twenty years. In September, 1930, our Chicago office directed the first commercial TV program ever put on the air. Today the J. Walter Thompson Company supervises the production of 20 national network and local TV programs. Spot announcements for 225 stations. For one client alone, more than 200 personalized TV film announcements.

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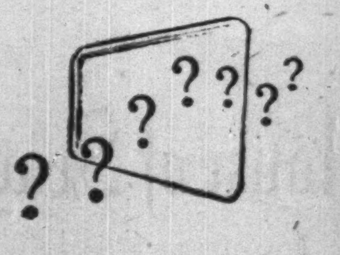

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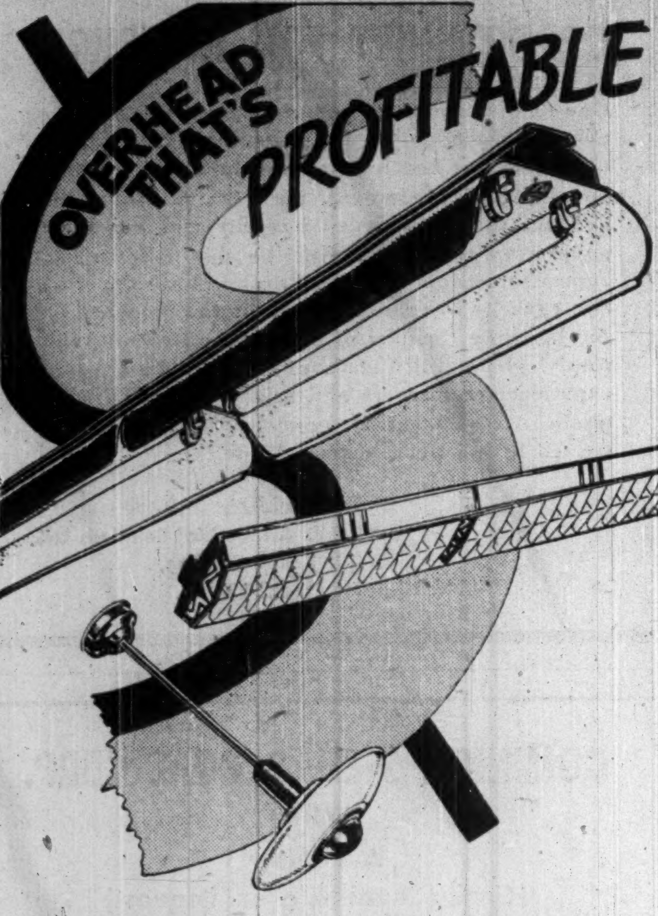

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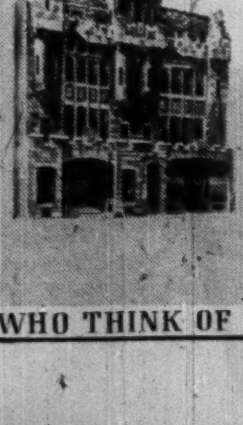
"Moderation
IS THE SILKEN STRING
RUNNING THROUGH THE
PEARL CHAIN OF ALL
VIRTUES"
JOSEPH HALL



The House of Seagram
MEN WHO THINK OF TOMORROW PRACTICE MODERATION TODAY

ABOUT YOUR TAXES By STUART THOM, LL.B.

Mutual Ins. Co. Reserves Held Not Taxable Income

The decision of the Tax Appeal Board in the appeal of the Stanley Mutual Fire Insurance Co. will be of great interest to all mutual fire insurance companies and those who benefit from their activities. The Board there held that the reserves built up by such a company operating on the premium note plan do not constitute taxable income of the company. Its taxable income is, therefore, reduced to the interest earned on the investments lying in the reserve.

In so deciding the Board followed a line of English decisions touching on various cases in which individuals had operated on a mutual basis for their own benefit or protection. The basic question seems to be whether in each case the company in whose name the business is carried on should be regarded as an entity distinct from its members or not. If the company cannot be distinguished from its members then contributions by them in excess of what is required to pay losses and operating expenses is not income within the meaning of an income tax act. The Board in effect so found in the case before it, notwithstanding that the individuals who contributed from time to time might not be the same individuals who would share in a distribution of the reserve fund when and if the company were wound up.

The decision is of the greatest interest and importance to an understanding of the concept of income under the Tax Acts. It also appears to upset government policy with regard to the taxability of mutual companies. It was a feature of the 1946 amendments, which introduced the principal of patronage dividend deductions, that the former statutory exemption of mutual companies was to be withdrawn. If the decision of the Board in the Stanley Mutual case becomes definite law, such companies never were taxable except in a very limited way.

Taxed on Payments On Debts of Estate

The appeal of Mrs. Bessie Johnson recently dealt with by the Tax Appeal Board raises interesting questions. Mrs. Johnson was a widow and entitled during her lifetime to "the net rents, issues, income and profits" from her husband's estate. Included among his assets was a section of land in Saskatchewan. It had been mortgaged by him and there were arrears of interest owing at his death.

The trustee under the Will did not dispose of this asset, apparently exercising a discretion conferred by the Will, and out of the "rents, issues, income and profits" of the land, whatever they were, it paid certain amounts on account of arrears of interest and on principal. The balance after paying current interest, taxes and necessary upkeep was paid to the widow.

She reported the amount received by her as her income from the estate, but she was assessed as though the amounts paid on account of arrears of interest and of principal had been her income as well. In so doing the Department relied on Section 11(1) of the IWTA.

Mrs. Johnson appealed and the Board dismissed the appeal. The reason given was that as tenant for life she "could be charged (by the trustee) only with paying any current interest due under the mortgage" and the payments of arrears of interest and on principal were a charge on capital.

The decision leaves the widow in a difficult position. Assuming, as the case seems to have been, that the substantial asset of the estate was the land in question, the trustee had no choice but to pay principal and arrears of interest if it intended to preserve the asset for the benefit of the widow and those who took the estate after she died.

It may be correct to say that these payments should be a charge on capital, but the money to pay them had to come from the land in some way and to that extent income was not available for the widow. Even if she became entitled to a claim against the estate for amounts which should not have been charged to her, this claim could not be paid until the asset itself was sold and converted into cash.

In the meantime she was being called upon to pay tax upon money which not only had not been paid to her but could not have been paid because it was paid to someone else.

Beneficiary's Rights

The crucial question under the IWTA was whether the money which she did not receive nevertheless accrued to her credit. The Board in its judgment said that the widow was "legally entitled to claim as net income due to her" the income from the estate less only current interest, taxes and necessary upkeep. This seems to mean that, in the opinion of the Board, the widow could have sued the trustee and recovered judgment for the amounts which had been properly used by it to preserve the capital of the estate for her continuing benefit. Further discussion of this proposition would have been helpful.

The new Act does not provide a clear answer to a similar situation. Under it the trustee is taxable in respect of the income of the estate less such part as was payable to a beneficiary. If it is considered that, notwithstanding the Board's decision, payments properly made by a trustee on the principal of a mortgage are not "payable" to the beneficiary, the trustee's tax liability will remain nonetheless because payments on account of capital are not deductible.

If, however, it uses income to pay its own tax, the life tenant is in effect paying the tax. Unfortunately for trustee and beneficiary alike, there is nothing in the Act suggesting that the Crown should wait for its tax until the asset has been disposed of and cash becomes available to settle accounts between life tenant and remainderman.

CNR Equip. Trust Issue Offered

A new $13.5 millions CNR Equipment Trust certificates, series "V"-1951, is offered by a syndicate headed by Wood, Gundy & Co. and including Royal Bank of Canada, Bank of Nova Scotia, Royal Securities, Banque Canadienne Nationale and Bank of Toronto.

Issue, dated Jan. 15, 1951, consists of 10-year 2¾% serial certificates maturing $675,000 each six months from July 15, 1951 to Jan. 15, 1961. These certificates are offered at 99.29 for equal amounts of each maturity to yield 2.90%.

Security for new issue will include railway equipment costing over $18.7 millions. Proceeds will finance in part cost of this equipment.

T.S.E. Values Top $10 Billion

For the first time in Toronto Stock Exchange history, the quoted market values as of Dec. 30, 1950, have topped $10 billions mark. This figure represents the market value of all stock outstanding of the 915 issues listed on the Exchange, comprising companies of nearly all phases of Canadian industry.

Total values were $10,193,338,396, showing a gain of $692 millions over the previous month end ($9,501,208,823), of which 513 industrial issues contributed $516 millions of the advance, with oils and mines adding $176 millions more.

Widest gain was made by the 88 industrial stocks which gained $169 millions. These were followed by the 56 base metals ($145 millions), 16 oil refinings ($88 millions), papers ($82¾ millions), utilities ($67 millions), liquors ($43½ millions), and 77 construction and steels ($32 millions). Motors and allied and retail stores were both off slightly while financials remained unchanged.

Complete listing in groups showing quoted market values and net change in millions of dollars is as follows:

Group	Quoted Market Value 000	Net Chge. Mill. $
Agricul.	$121,123	+8½
Amusement	33,224	+½
Steels	739,849	+32
Finance	550,223	unch.
Foods	248,610	+7½
Liquors	608,026	+48½
Manufact.	1,284,735	+169
Miscel.	138,392	+8¾
Motor	138,560	—4
Oil Refin.	1,175,921	+88
Papers	1,072,481	+82¾
Retails	76,202	—1¾
Textile	187,480	+7
Utility	1,112,140	+67
Base Met.	1,769,426	+145
West. Oil	229,031	+11
Prod. Gold	489,374	+9
Gold Pros.	73,354	+2
Holding	145,186	+9½
TOTAL	10,193,338	+692

BRITISH AMERICAN OIL CO. additional 298,406 3¾% first series cumulative redeemable sinking fund preferred shares surrendered for conversion to common shares, thereby reducing preferred to 142,820 shares and increasing common to 3,629,822 shares.

What new industry will use this yard?

New sets of rails branching from the trunk line—a sign that someone's plans for a new industry will soon become reality. This may be to mine ore found in the hills; but just as likely it will turn out some household article, previously imported—and make it cheaper and better if the plant design is right.

Can Britain help? The answer lies in another question: what is the source of Britain's industrial wealth? It is long experience, skilled craftsmanship, and the ability to make the finest machinery in the world. All these are available to Canadian industry, through great British firms such as Vickers-Armstrongs Ltd.

With its immense production capacity, this firm, best known perhaps for its ships and aircraft, has for many years been equipping all kinds of industries—such as soap, paint, printing, cement—in countries all over the world: a service of interest to all those who look beyond frontiers for the best the world can produce.

If *you* are concerned with industrial development, why not get in touch with Vickers-Armstrongs.

Vickers-Armstrongs Limited

VICKERS HOUSE • BROADWAY • LONDON • SW1 • ENGLAND

ENGINEERS • SHIPBUILDERS • AIRCRAFT CONSTRUCTORS
OS 108

DIRECTORS OF CENTRAL CANADA LOAN & SAVINGS CO. intend, subject to any unforeseen circumstances, to redeem the 4% noncumulative preference shares, par $100 issued as a stock dividend in the near future by paying $100 cash a share, President G. A. Morrow advises shareholders in a letter accompanying the certificate showing the number of new preference shares registered in holders' names on the company's books. "I would therefore suggest that you should not consider selling or otherwise disposing of the new preference shares of which you are now the registered owner," Mr. Morrow adds.

The new preference shares were issued as fully paid and under provisions of the Income Tax Act were not subject to tax as a dividend in the hands of shareholders resident in Canada.

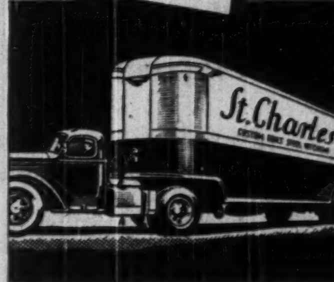
CONSOLIDATED ASTORIA MINES has extended Dec. 27 option installment and each subsequent installment 60 days.

LOOKING FOR WAYS TO CUT OPERATING COSTS?

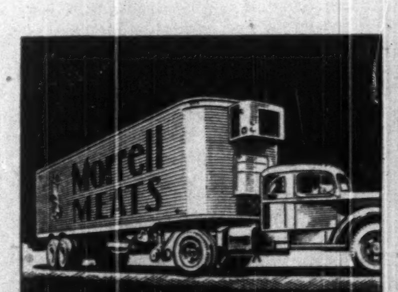
Here's the ticket!
SHIP VIA TRAILER

Fruehauf Users Find Trailers Best for Faster, Better Transportation AT LOWER COST! Yes, hundreds of manufacturers and suppliers are finding that Fruehaufs really do a job . . . for Fruehauf Trailers substantially *cut* overhead and provide more economical handling of materials.

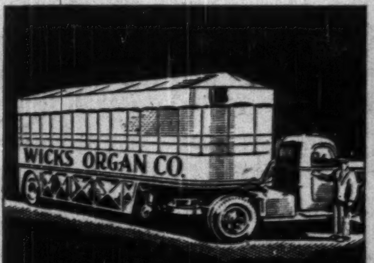
They last longer . . . with less maintenance because Fruehaufs are *engineered* to the loads they haul . . . *built for performance and dependability.* In addition, a nation-wide service network "comes with the package" when you buy a Fruehauf Trailer. Write for Fruehauf's *free* "Transportation Cost Analysis." Fruehauf Trailer Company of Canada Limited, Weston, Ontario.



LESS HANDLING—Frank H. Koch, Traffic Manager, St. Charles Kitchens. "Fruehaufs afford quicker deliveries, materially cut damage to our product, and maintain prompt schedules to our customers' door."



FASTER DELIVERIES—Harry W. Davis, Director of Traffic, John Morrell & Co. "We not only move meats faster, but give our customers better service and get products to them in better condition."


WICKS ORGAN CO.

ELIMINATES CRATES—Martin M. Wick, President, Wicks Organ Co. "Because of the very smooth ride we get from this unit, we can haul fragile organ pipes without packing."

CUTS WAREHOUSING—These Fruehaufs deliver both raw materials and finished products for Shedd-Bartush Foods, Inc., on a fast shuttle system between six of its major plants upon demand.

GREATER ECONOMY—Henry Muller III, President, Muller Brothers, Inc. "Since Fruehaufs were added to our fleet our operating costs have been reduced 20% . . . our operation speeded up 10%. First Class Equipment Pays Off!"

MULLER BROS. MOVING & STORAGE

FRUEHAUF Trailers
World's Largest Builders of Truck-Trailers

CONSTRUCTION TRENDS By JOHN CAULFIELD SMITH

1951 Seen Good Year as Last For Lumber But What if Runaway Costs Continue?

Lumber is vitally important to Canada's construction industry. In house building, for instance, it accounts for over 40c of every dollar spent on materials.

What's the lumber outlook for 1951?

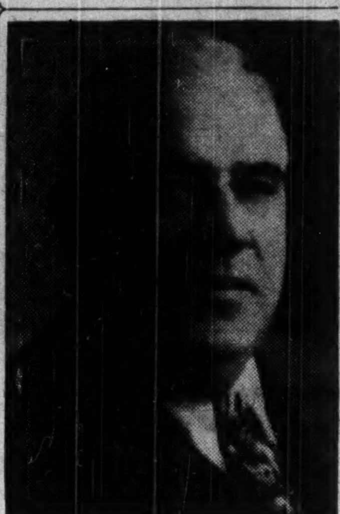
As regards supply, everything points to another good year. Production "bids fair to be large," W. J. LeClair, secretary-manager of the Canadian Lumbermen's Association, tells The Financial Post. "Woods operations are considerably in excess of last year, when about 5,800 million feet were produced. Large mill production should at least equal that of 1950, and small mill operation and farmer log production should exceed last year."

Reviewing 1950, Mr. LeClair states that unprecedented U. S. demand more than made up for the previous fall-off in exports to the United Kingdom. Then, toward the end of the year, when American demand dwindled because of government credit restrictions and inventory curbs, Britain re-entered the Canadian market in a big way. "Already, she has bought 500 million feet of B. C. Coast lumber and would buy up to 300 million ft. of Eastern Spruce."

This is an optimistic picture, but tempering it is the pessimism with which the possibility of lower costs is viewed. Why?

First, Mr. LeClair says, competition for labor as between pulpwood and sawlog operations this winter has been keen. Second, inventories of dry lumber at the wholesale level are very small. Third, well before the new U. K. orders are filled, defense requirement programs in both Canada and U. S. are expected to be sufficiently far advanced to absorb production.

High wages in the woods, low stocks in the yards, and continued brisk demand do not encourage hope for a de-boom in lumber prices. Indeed, if the present trend is sustained, the very reverse will be true.



L. A. FORSYTH

president of Dominion Steel & Coal Corp., has been appointed a director, Royal Bank of Canada.

Mark this. Prices of all building materials have been soaring. But that of lumber has shot up as though jet-propelled!

In the eight-month period ending November, 1950, DBS figures indicate the lumber index mounted nearly twice as fast as that of all residential building materials combined. Here are the figures (1935-39:100):

	Nov.	April	% Chge.
Lumber and its Products: ..	385.5	319.2	+28
Residential building materials ..	261.2	227.2	+15

In November, 1950, lumber and its products used as residential building materials cost twice as much as in 1945, more than three times as much as in 1940, and nearly four times as much as in the pre-war period!

Admitting that pre-war prices may have been unduly depressed, this is far from being an unimpressive record.

Its effect on construction has been slight so far. But what of the future? Government and business can pass higher building costs on to the public. Not so the man who wants a new house.

Perhaps it's too soon to say, but if the price of lumber continues its rocket-flight in 1951, it may well be a factor in discouraging production of houses for sale and encouraging demand for rent and price controls, not to mention subsidized housing.

• • •

Progress Reported

Seventh annual meeting of the Canadian Chapter, National Warm Air Heating & Air Conditioning Association, was recently held in Quebec City.

One of the program highlights was a summary by G. O. Colborne, chairman of the Technical Advisory Committee, of the research work now being done at Queen's University. Mr. Colborne reported that:

(1) Physical testing of the conventional oil-fired conversion burner is now almost complete. Results show that the equations provided by the U. S. parent organization for computing rating capacities of such furnaces are sound.

(2) Testing of larger furnaces, that is above a bonnet rating of 200,000 Btu per hour, hand-fired coal, stoker-fired and oil-fired will begin during the present heating season.

(3) Testing of single-purpose oil-fired warm-air furnaces will also commence in the very near future.

(4) Testing of furnaces designed specifically to burn wood will be carried out at a later date.

Newly elected officers and directors for 1951 are: H. T. Williams, president; J. P. Thibault, vice-president; D. S. Fisher, R. V. Millar and F. A. Sheldon.

• • •

Builders Alerted

Members of the Toronto Metropolitan Home Builders' Association have been warned that they may find themselves again squeezed between a supply shortage and continuing heavy demand for shelter.

Addressing the recent annual meeting, president-elect W. E. Maybee declared that the situation could be met "come hot war, cold war, or a relaxation of tension" only by complete co-ordination of effort in the house-building industry.

Vince Daniels, chairman of the Membership Committee, reported membership had increased 28% during 1950.

Vice-presidents for 1951 are Bert Grant Jr., Harold G. Shipp and William E. Small. Directors are John A. Griffin, Campbell C. Holmes, Arthur Hurlburt, W. H. Kitchen, Harry J. Long, Harold Loughlin, William Morassutti, Edmund Peachey, Louis Rice, Reginald Rodaro, Roy P. Rogers and John Schramm.

Firms elected to the board of directors are Builders Flooring & Millwork Ltd., Dual Mixed Concrete & Materials Limited, Home Building in Canada, S. McCord Ltd., and Kopas & Burritt.

• • •

Month Down, Year Up

Value of building permits issued in 215 U. S. cities declined during November, reports Dun & Bradstreet Inc.

Total of $408.7 millions was 21% less than October's $520.2 millions, but exceeded the November, 1949, figures of $309.7 millions by nearly 32%.

For the first 11 months of 1950, aggregate value of building permits reached $5,123.1 millions. This represents an all-time high for the period and shades 1949 by 42%. (In Canada, the gain on the 11-month period amounted to 40%, indicating that the building booms being experienced by the two countries are twins.)

1951 Big Year For Canners

Barring unforeseen demands for steel for defense purposes, the can manufacturing industry in Canada should be able to fill metal container requirements in 1951, Gordon Mann, general manager, American Can Co., states.

This year should be as good, or even slightly better than 1950, as far as canned foods supply is concerned, it was said. "The demand for canned foodstuffs has increased steadily during the past decade and there is no indication of a downward trend during the next 12 months," Mr. Mann said. "The supply on the grocer's shelves is, of course, predicated on the type of growing weather we have next summer and fall."

While the packs of fruit and vegetables during 1950 were not as great in volume as the previous year's, due to reduced acreages, there was a marked increase in the canning of such products as pork and beans, soups, etc. The expanding demand for non-food containers, particularly for the packaging of oil, anti-freeze, paint and tobacco, had continued during 1950, and gave every promise of continuing during 1951.

A continuous trend toward increased use of electrolytic tin plate in the manufacture of a wide variety of containers was noted. This type of plate using less tin than hot-dip method, was first manufactured in Canada in 1949 and has found favor with an increasing number of can users. An important development during the year was the decision of American Can Co. to build a multi-million dollar plant at Chatham, Ont., to supply the container requirements of Western Ontario's important fruit and vegetable growing areas. The plant will be in production by early summer, 1951.

ABITIBI POWER & PAPER CO. additional 1,807 preferred shares purchased for redemption, thereby reducing preferred outstanding to 1,050,416 shares.

BELL TELEPHONE CO OF CANADA additional 4,132 shares subscribed for under terms of employee stock plan and 423 shares issued to shareholders under offering of rights at $33 bringing outstanding capital to 7,761,043 shares.

Announcement

THE GLOBE-TELEGRAM SYNDICATE, Toronto, syndicate agency for the Toronto Globe and Mail and the Toronto Telegram, is pleased to announce that it has completed arrangements to entrust sales and distribution of its news and feature services to CANADA WIDE Feature Service Ltd., Montreal.

CANADA WIDE FEATURE SERVICE is the syndicate agency for The Montreal Daily Star, The Herald, The Standard and the Family Herald and Weekly Star.

CANADA WIDE will now maintain offices and active representation in Montreal, Toronto, New York and London. Douglas W. Moseley becomes Manager of the Toronto branch.

How Much Did you Save Last Year?

☐ A LITTLE?
☐ NOT ENOUGH?
☐ NOTHING AT ALL?

Well, why not do something about it this year? Why not start right now, this month spending to a plan—**saving to a plan**. It's easy once you start and it really gets results. You will finish 1951 with something to show for your whole year's work.

The important point is to start right now, this month—with a plan.

We are ready to help you do this with our free Chartered Trust Budget Plan. This free Budget Plan enables you to chart your weekly expenses . . . balance your income . . . and shows how to save a little every week. There are no complicated figures or bookkeeping—but a simple, common sense guide to good management. Once you have studied your Budget Plan you will see at a glance that you should be able to save more in 1951.

So why not write, phone or call in for this free Chartered Trust Budget Plan today. Our address and phone number is:

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COMPANY
34 King Street W., Toronto
WA. 7681

RYDER
ELECTRIC HOISTS
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MONO-RAIL SYSTEMS
J. H. Ryder Machinery Company
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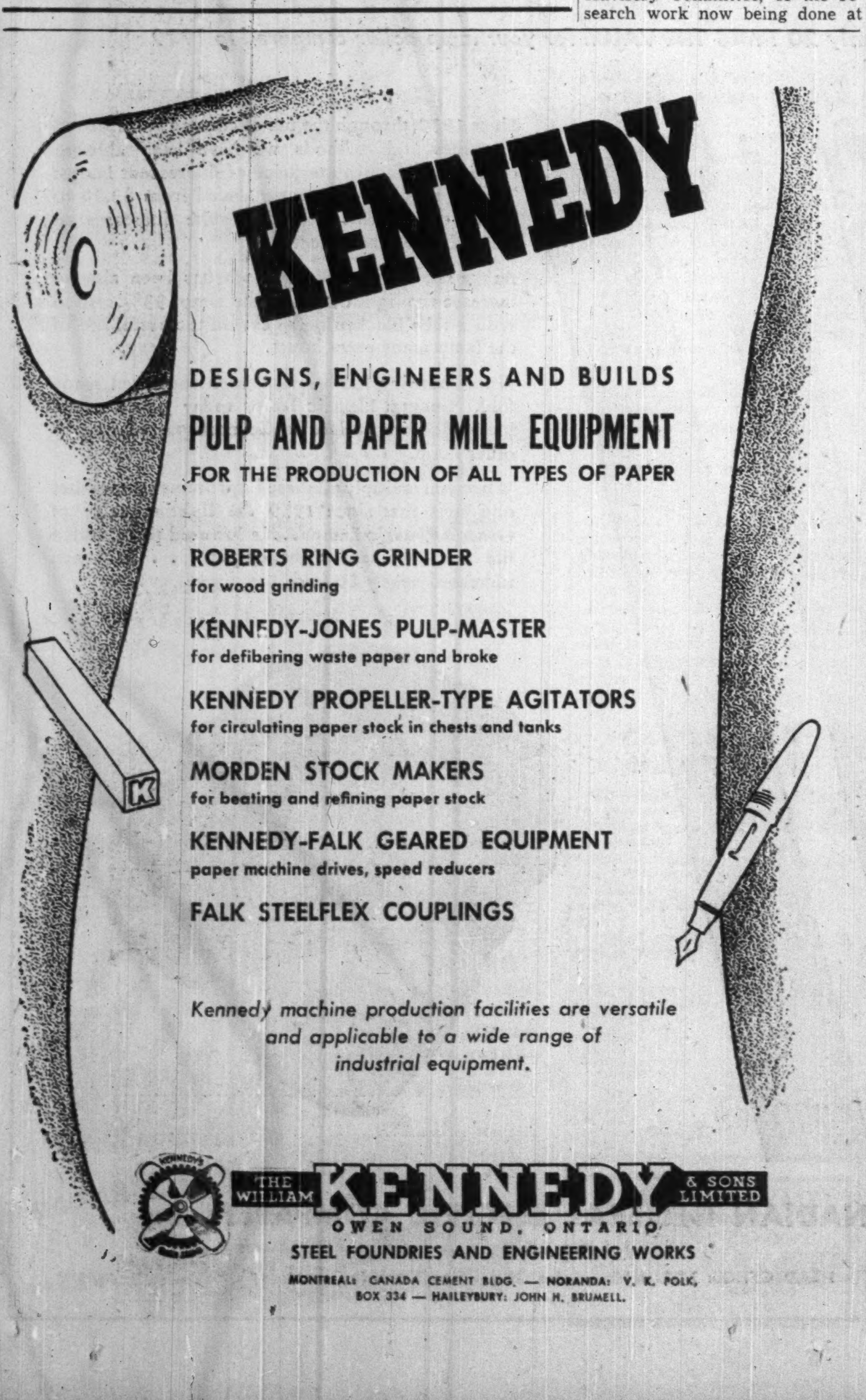

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DESIGNS, ENGINEERS AND BUILDS
PULP AND PAPER MILL EQUIPMENT
FOR THE PRODUCTION OF ALL TYPES OF PAPER

ROBERTS RING GRINDER
for wood grinding

KENNEDY-JONES PULP-MASTER
for defibering waste paper and broke

KENNEDY PROPELLER-TYPE AGITATORS
for circulating paper stock in chests and tanks

MORDEN STOCK MAKERS
for beating and refining paper stock

KENNEDY-FALK GEARED EQUIPMENT
paper machine drives, speed reducers

FALK STEELFLEX COUPLINGS

Kennedy machine production facilities are versatile and applicable to a wide range of industrial equipment.

THE WILLIAM KENNEDY & SONS LIMITED
OWEN SOUND, ONTARIO
STEEL FOUNDRIES AND ENGINEERING WORKS
MONTREAL: CANADA CEMENT BLDG. — NORANDA: V. K. POLK, BOX 334 — HAILEYBURY: JOHN H. BRUMELL.

hydrochloric acid
at your door... when you need it!

Now under construction in Sarnia Valley is Dow's new million dollar plant from which will come hydrochloric acid. When completed, this plant will be the largest producer in Canada, assuring Canadian manufacturers of a dependable supply of this important chemical.

We would like to talk to you about *your* requirements.

DOW CHEMICAL OF CANADA, LIMITED
TORONTO • MONTREAL • REGINA

DOW CANADA

Delivered When Promised

√ Maintenance of delivery dates is a feature of MACLEAN-HUNTER PRINTING SERVICE.

√ Our production control enables us to accurately determine completion date of your work.

√ Our staff is organized and trained to meet deadlines.

√ Our plant provides many units over which your work can be spread

This assures; DELIVERY WHEN PROMISED

Maclean-Hunter
Commercial Printing Division

Toronto—EM 3-5981
Montreal—MA 2331

What's Ahead in Sales, Advertising?

Here's How Four Top Executives See Business Problem

"Be Prepared, Not Scared!" was the slogan at the fifth annual Central Canada Sales Management Conference sponsored at Toronto recently by the Advertising and Sales Club of Toronto in co-operation with the Sales Research Club and the Canadian Advertising and Sales Federation Affiliated Advertising and Sales Club. Speakers presented views on what the international situation means to selling in Canada and the U. S. today. The Financial Post here presents digests of high points of four of the addresses.

Sales Management Today

ARTHUR G. PINARD, executive vice-president, The Sherwin Williams Co. of Canada.

As yet I have observed no unity of thought on the question of urgency. Within the past week or two I have spoken to several businessmen in high places and have been surprised at their nonchalance and variety of their views on the imminence of our danger.

Today we cannot ignore the growing conviction that the success of our efforts will be in direct proportion to the equality of our strength in arms.

By now we should be aware of the necessity of certain measures of control which will affect raw materials, manpower, production, salaries and wages, civilian consumption, profits and practically every aspect of our economic and social life.

We can follow two courses: we can sit tight and wait on the government to send us directives. Or we might profit by the experience gained just a few years back, by anticipating the measures that we should take as businessmen to preserve as far as possible our economic and social and political integrity.

Some men—some industries—some sales managers can be exonerated from the indictment of indifference and complacency. These are the men who months ago refused to regard developments as "phony" gestures of a cunning despot and who foreseeing the probable consequences, began to prepare for them.

Here are some of the things they are doing:

Preparing a detailed picture of production and calculating the probability of its allocation in terms of civilian and defense consumption.

Making a study of product grades, styles, colors and sizes in anticipation of trimming off luxury features and conserving raw materials.

Conducting research programs on the possibilities of substitution, modification or discontinuance of unnecessary gadgets. Studying the redesign of products, containers and packages; with a view to stretching out product service and controlling costs.

Making a survey of manpower according to age groups, service and responsibilities, to determine the possible consequences of a diversion of manpower to defense.

Analyzing the kind, quantity and cost of consumer services which might be considered unessential.

Calling on departments for reports on the opportunities for mechanization of certain production and administration operations now performed manually.

Reviewing sales personnel and territories as to likely adjustments in quotas, compensation, allocations and merchandise, geographical revisions of territory.

Reviewing their particular experiences with government controls and the extent to which they assist the government in the complex and thankless task of determining and administering controls with a maximum of economy and efficiency and simplicity.

Prepared Dealer Relations

A. M. SWEENEY, general sales manager, appliance and merchandise department, General Electric Co., U. S. A.

It would be very easy for us to be very pessimistic about the outlook for 1951, but this we refuse to do, and in our prepared dealer contact work, we are fighting hard to avoid semblance of pessimism.

We may not be permitted to take advantage of the production plans we have ready, but we are assuming that with as much as 30% cutback our dealers may well have a sales job on their hands, what with higher personal taxes, controlled credit terms, drive for bond sales and campaigns urging the public to save their money in every way.

Every method of direct and indirect dealer contact will be continued and emphasized just as long as we have anything to sell. No one at the top level has so far cut a dime out of the advertising budget we set last fall.

We have developed a new slant or approach to our sales job in 1951. First we're going to stop complaining that everything is wrong with the dealer and his salesmen. We are accepting him as he is. We're going to assume that we are to blame for the poor sales job done during the past few years.

We are going to teach, not preach. If we can't convince the dealer we have a good sales program and he should tie in with it, then it's going to be our fault, not his.

The equally distributed ignorance of the art of selling—real selling—in our business, at all levels including our own, is appalling. We came back into production after the war with less than 25% of our prewar salesmen. The great bulk of our men had been upgraded and came back into our appliance business in staff or line executive jobs.

Today we find our distributors of major appliances with 88% new salesmen, new in the business since 1946. Never, except for a few months in 1949, have we had enough of any of our appliances to really challenge the selling ability of any of our distributors' sales counselors.

A friend of mine said, "How in the face of constantly darkening war clouds can we afford to put the kind of sales and promotion plans behind our dealers that we would like to do?"

The real question, to me, is how can we or any other concern in the consumer end of the business in the U. S. A. or Canada afford to do anything else in the interest of his country's welfare than to continue to produce and continue to make every possible effort to sell goods which will add tax money and wealth to make our country stronger.

You may be sure we will be ready to drop our consumer business whenever we are told we should, just as we did a few short years ago.

• • •

The Admiral Sales Story

RICHARD A. GRAVER, vice-president, electronics division, Admiral Corp., U. S. A.

Until very recently, war hasn't been a part of the Admiral story since 1945. It is now. At least 25% of the capacity of the electronic industry in the U. S. will be engaged by war production within a few months. Civilian production will be cut correspondingly and may be cut more because of material shortages.

We are not disheartened, however. At Admiral we simply look at our jobs now as two-fold. First, we must produce everything needed for military security. Second, we must make every ounce of civilian goods we can with the remaining plant capacity, manpower and materials available to us.

We expect that despite reduced supplies of civilian products our market is going to become even more competitive because of the effect of such factors as high taxation, stringent credit controls and public uncertainty. So we are going to keep our marketing guns going full blast.

A great number of people in marketing have noted Admiral's advertising. Here again we claim no special inventiveness. We have a policy, however, of not hiding our light under a bushel. Last year, for example, $18 millions was spent advertising the Admiral brand. That may sound like a lot of money, but actually it represents only about four cents per dollar of the money consumers spend at retail for Admiral products. When you consider that we are selling consumer durables, most of which cost $200 or more, that is a very economical expenditure.

Timing is an Admiral watchword in advertising. We tie in with seasons and holidays and we operate on a very flexible basis. If sales seem to be bogging down in some market, it gets a very fast shot in the arm. National copy on our lower priced models is run in the less expensive multi-million circulation mass magazines. Top priced lines are advertised nationally, almost on an institutional basis, in the class magazines. Local advertising is on a co-operative basis, the distributor and dealers bearing a portion of the cost and is invariably bold, hard selling copy featuring big illustrations and prices.

Of great interest to any businessman is the potency of television as an advertising medium.

When you do have TV in Canada you should get in on the ground floor as an advertiser if you handle consumer products. The responses to television advertising have been almost fantastic.

In Chicago, for example, we have one automobile dealer whose total business was running at the rate of less than a million dollars a year. He went on television and within six months was doing $10 million annual volume and in his second year after TV did $20 millions.

When your Government does authorize TV broadcasting I have no doubt but what your experience here in Canada will be the same as ours in the States. In less than four years after our Federal Communications Commission gave TV the go ahead, 10 million sets were in service.

• • •

Direct Advertising

LEONARD J. RAYMOND, president, Dickie-Raymond, Inc., Boston and New York.

As long ago as last Aug. 10 the advertising director of one of our clients outlined four possible courses of events that affected business planning:

1. Cessation of hostilities, with continuing normal or above-normal marketing of company products.

2. The continuation of the present small war, without government controls, and normal or above normal marketing.

3. The continuation and possible intensification of the present limited-scale war with the imposition of controls, the conversion of part of the plant's production to war work, and abnormal or limited marketing conditions.

4. All-out war, with full wage, price and other controls and complete conversion to war work and the virtual stopping of all marketing of company products.

The alternative he selected as most likely was number three. He proposed this alternate be met by maintaining existing schedule in support of the sales organization, and that promotion budgets should not be reduced but reallocated to do the double job of selling what the company had to sell, plus carrying on a campaign of public relations messages and advertising in support of public service objectives, over the company name. No desertion of promotion, no cut backs in advertising. Simply a reassignment of merchandising forces to include new fronts.

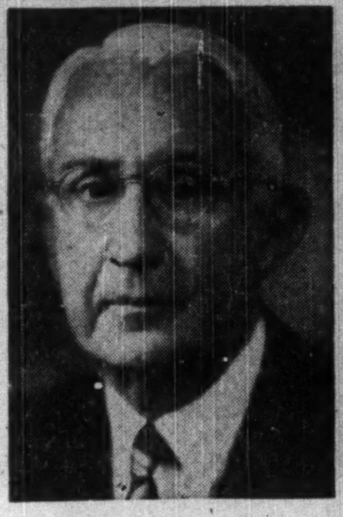
Now suppose the worst—what sales philosophy then? Very much the same—except that you may have no products to sell. But you do have a company to keep sold. You do have a competitive position to maintain until you can sell again.

As sales managers, your task is clear. You must keep management thinking straight. You must recognize these things and act on them as a clear duty to stockholders, your employees on the job and away in service, and to your customers.

Soon your sales manpower problem may have become so acute that you may be compelled to make salesmen cut down on their calls. Later, transportation limitations may be a factor. This is the time to sign on direct advertising, as a salesman.

Another duty of direct mail in a wartime economy is telling users of equipment how to conserve what they have, maintain it in good working order, and how to make it last until you can sell them new equipment.

Direct advertising can be used to stop wartime gripes short in their tracks. Shortages of sizes, parts, or materials, unavoidable weakness in service that needs explaining. Sometimes war conditions uncover new uses for products. Direct mail and research by mail can be used to explore and develop these markets.


W. M. O'CONNOR

R. A. LAIDLAW

J. G. HUNGERFORD

HARRY H. WILSON

National Trust Company Limited announces the following executive changes:

W. M. O'CONNOR has resigned as Chairman of the Board of Directors. He will continue as a Director of the Company.

Throughout his fifty-one years with the Company, which he joined in 1899, Mr. O'Connor served in many positions. He was successively Treasurer, Estates Manager, General Manager, Managing Director and President of the Company.

R. A. LAIDLAW succeeds Mr. O'Connor as Chairman of the Board and becomes President and Chairman of the Board. Mr. Laidlaw was formerly President of the Company.

J. G. HUNGERFORD has been elected a Director of the Company and becomes Executive Vice-President. Prior to his appointment as General Manager in 1949, Mr. Hungerford was Manager of the Trust Department at Toronto and Assistant General Manager.

HARRY H. WILSON has been appointed General Manager. Mr. Wilson was appointed Treasurer in 1940, Manager of Hamilton Office in 1941, Manager of Montreal Office in 1946, and an Assistant General Manager in 1948. *

Advertisement *Advertisement* *Advertisement*

Biltmore Hats Limited Important New Appointments

Following the Annual Meeting of Biltmore Hats Limited, on January 13, 1951, Mr. Wm. F. Franke, President, who has succeeded Mr. J. A. Fraser, now Chairman of the Board of Directors, announced the election of two new Directors, Mr. Norman McMillan and Mr. Howard Tiller, long associated with the Company. The Directors, with their offices, are: J. A. Fraser, Chairman of the Board; Wm. F. Franke, President; A. G. A. Spence, Vice-President; Norman McMillan, General Manager; Howard Tiller, Manager-Body Division and Production; R. P. Ramsey, Secretary-Treasurer. From left to right: Howard Tiller, R. P. Ramsey, President Wm. F. Franke and Norman McMillan. *

Crawley Gross Rises In 1950

Crawley Films Ltd., Ottawa and Toronto, sold and completed films valued at $300,000 during 1950, President F. R. Crawley stated recently at the annual staff budget meeting. In 1945, the gross was $40,000, 12 films having been produced.

In 1950, 58 motion pictures and filmstrips, including 28 complete productions, 20 major sounding and editing jobs from footage made by others and 10 slide films. In addition, a number of other productions are under way but not completed at year end.

A considerable increase in percentage of U. S. dollars making up the gross is noted in 1950, Mr. Crawley says. In 1949, 15% of the gross was U. S. funds, where as in 1950, nearly 20% of the company business was in U. S. dollars. Included in U. S. contracts was completion of five motion pictures and five filmstrips for McGraw-Hill Text-Film to be distributed to U. S. and Canadian high schools and universities.

Contrary to reports, no contract has been signed with Monogram Pictures of Hollywood, Mr. Crawley states. Crawleys is interested in feature-length films with a Canadian theme and some production is anticipated if circumstances are favorable.

In the past year, staff increased to 50 persons, including an optical effects printer, and new lighting equipment, generator and three cameras were required. Quarters are presently being expanded.

Total number of clients for whom Crawley's has made films increased to over 150 in 1950, including companies from Canada, Europe and U. S.

modern mimeographing
THE FASTEST DUPLICATING PROCESS
gives you PRACTICAL
Versatility

A·B·DICK mimeographs
COPY ANYTHING
Handwritten, Typed, or Drawn
EASIER—AT LOWER OVERALL COST

A. B. Dick mimeographs produce sharp, clean, permanent black-on-white copies (or in color) . . . on more types and sizes of paper stock, including hard-finish paper, smooth-surface cards, tags, envelopes, etc. Five modern A. B. Dick models copy handwriting, lettering, shading, typing, illustrations . . . photochemical reproduction of intricate line drawings, insignia, trade marks . . . many new uses save you time, effort and expense.

Feed paper or card stock at speeds up to 180 copies per minute with new roll-type feed for accurate registration . . . *position copy* on paper three ways—raise-lower, side-to-side, or angular . . . *load feed table* with finger-tip, single lever control. These exclusive features, and others, make the modern A. B. Dick mimeograph the *all-purpose* duplicator.

A. B. Dick mimeographs are for use with all makes of suitable stencil duplicating products. The model you choose may not be available at this time, but your patience will be rewarded. For full information, fill in the coupon and mail it today.

A·B·DICK
THE FIRST NAME IN MIMEOGRAPHING

THE MIMEOGRAPH COMPANY, Ltd.,
189 John St., Toronto, Ontario

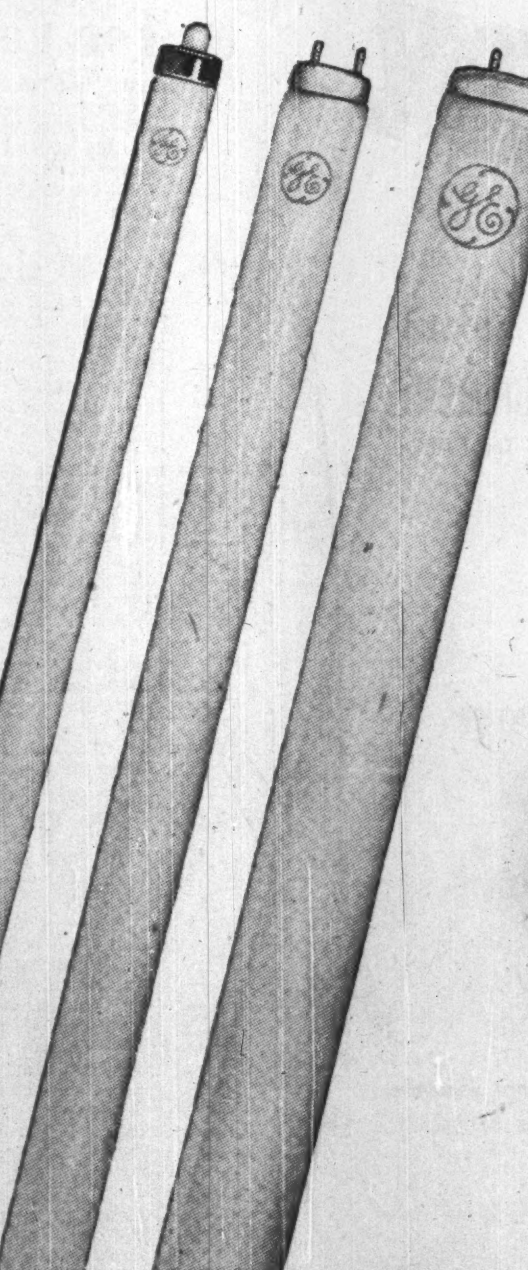
Gentlemen: Free, and without obligation:
☐ Send brochure describing the new "400" series of A. B. Dick mimeographs.
☐ Send brochure illustrating the complete, new line of A. B. Dick supplies and accessories.
☐ I would like a demonstration of the new A. B. Dick mimeograph.

Name.................................Position.................
Organization.................................
Address.................................
City.................................Province.................

Lowered cost... Added life...
Increased light output

GENERAL ELECTRIC
FLUORESCENT LAMPS

give you nearly 20 TIMES THE VALUE for your lamp dollar compared to 1939



Since 1939, through the use of constantly improved machines and methods we have been able to consistently reduce the price of fluorescent lamps. The 40 watt size has been reduced from $3.90 to $1.30 during this period despite increases in material and labour costs.

At the same time, G.E. research has been able to increase the light output of the lamps 33%, also to reduce tube blackening to extend the useful life of the lamp many extra hours.

Actual burning life has also been increased many fold. General Electric lamps today give a useful life which we believe to be unsurpassed by any other lamp.

When you multiply all these improvements together one finds that since 1939 the lighting value of General Electric Lamps ... in lowered price, added life and increased light output : : : has been increased nearly 20 fold.

CANADIAN GENERAL ELECTRIC COMPANY
LIMITED
HEAD OFFICE: TORONTO—Sales Offices from Coast to Coast

WLF-250R

M. ROSS GOODERHAM, K.C.

Announcement is made of the appointment of Mr. M. Ross Gooderham K.C. as a Director of the Canada Permanent Mortgage Corporation and a Director of The Canada Permanent Trust Company.

Mr. Gooderham is senior member of the law firm of Gooderham, Martin & Company, Toronto. He is President of The Manufacturers Life Insurance Company and President of the Board of Governors of Ridley College. *

LAKESIDE 3301
Myers-Elliott
FUNERAL HOME
715 DOVERCOURT RD., at BLOOR
KNOWN BY SERVICE
W. Earle Elliott
PRESIDENT

HAVE YOU MET THIS Salesman

If not and you need envelopes you can get acquainted today by writing to National Paper Goods, Hamilton, makers of Canada's finest line of safety seal envelopes.

NATIONAL
PAPER GOODS LIMITED
HAMILTON, ONTARIO
Toronto, Montreal, Winnipeg, Halifax and Vancouver

For Your Musical Enjoyment...
We offer you an Instrument of Superb Beauty and fine Craftsmanship
WILLIS & CO. LIMITED
1220 ST. CATHERINE ST. WEST. MONTREAL

* start 1951 with our
Stock and Bond Record Book
::: copy on request
STANTON, HATCH & McCARTHY
members of
TORONTO STOCK EXCHANGE
INVESTMENT DEALERS ASSOCIATION OF CANADA
Canada Permanent Bldg., 320 Bay Street, Toronto
H. G. Stanton
D'Alton McCarthy
Kenneth B. Andras
H. William Hatch
S. C. Hetherington
Partners' personal attention given to clients *

UBJ
UPTON BRADEEN & JAMES LIMITED
MONTREAL
TORONTO
WINNIPEG
VANCOUVER
MONCTON
OTTAWA
HAMILTON
WINDSOR
PACKING-INDUSTRIAL CLUTCHES, PUMPS, COMPRESSORS, RAILWAY AND CONTRACTORS' EQUIPMENT, WOODWORKING MACHINERY, MATERIALS HANDLING EQUIPMENT
MACHINE TOOLS
MILL SUPPLIES
get a "UBJ" quotation!

What Kind of Controls Next Time?

The Question: As a future guide, what emergency measures or policies of last war would need most careful review before application again? Why?

There is a sharp difference of opinion between those persons who believe emergency measures of the last war are sound precedent for any new measures which may be necessary and those citizens who think most or all the wartime policies would need careful revision before application again. This was indicated by replies of representative Canadians to The Financial Post question this week. Several of those answering served at Ottawa during the last war.

On two points a number were agreed. One is that the wartime powers were too sweeping and arbitrary, that new powers should protect civil rights. The other is that more care should be taken to see that the need for emergency measures is carefully explained, so the measures will have the full support of public opinion.

W. GEORGE AKINS, President, Walsh Advertising Co., Toronto.

Let Canada put on long pants this time; it is an adult nation. During last war Canada had no one in Washington sitting in on the primary allocation of raw materials. This led to Canadian industry being treated as an afterthought. This should be corrected as Canada is one of the world's greatest suppliers of raw materials. The allocation of 2½% of our nickel to Canadian use in last war was an example of a basic difficulty. Many feel that a tougher attitude would result in a great industrial development within Canada. We are faced with the fact that Canada is too often a depository for raw materials which are processed and utilized by other countries.

Process everything possible to the finished state. Bring in the immigrants. Step up our communications. Extend our resources. Manufacture everything possible. Utilize our banking system and our attractiveness to investors to build a nation. Canada can within 20 years become a strong industrial nation. By doing this she can avoid being left in a weakened condition with her natural resources exploited and her economy weakened if aggressive expansion policies are pursued today.

* * *

PROF. H. F. ANGUS, University of British Columbia, Vancouver.

Emergency measures and policies must be adequate to meet the situation and justified by it. Sacrifices demanded from citizens must be fairly apportioned. When war is in progress, unusual expedients can be defended as necessary and even injustice condoned. In lesser emergencies the public requires to be convinced of the importance of various measures and resents any unfairness. The situation calls for a comprehensive program including from the outset taxation designed to curb inflation without unequal sacrifices, a definite manpower policy, price, rent and wage controls administered with scrupulous fairness, and information services to explain these measures and obtain greatest possible voluntary co-operation.

R. FRASER ARMSTRONG, Superintendent, Kingston General Hospital.

Recruiting policy as applied to hospital personnel might well be reviewed. There were instances in last war where vital hospital departments were suddenly depleted. Also the previous heavy loss of hospital workers to other activities might this time be controlled to general advantage. Separate medical nursing and hospital staffs for different branches of service increases numbers required. A policy of a combined health service particularly when functioning side by side at the same base seems desirable. Rationing of hospital food supplies should not be a percentage of previous purchase but a quota based upon population. Earlier training schemes for hospital personnel might well be considered.

* * *

JEAN BENOIT, Financial Editor, Le Devoir, Montreal.

As it will be necessary to increase the income tax rate, particularly if there is the slightest increase in military preparedness, it is also necessary, to be just, to increase the basic exemption, because it does not correspond at all to the cost of living index which has not stopped its constant rise since the end of the last war. For example, the present law allows an exemption of $400 for a child. It should be at least $800, considering the high cost of food and clothing.

* * *

B. C. BINNING, Artist and member, Vancouver Branch, Canadian Civil Liberties Union.

In the last war the emergency powers granted to the governor-in-council were more sweeping and arbitrary than those granted in Great Britain during its most critical period of threatened invasion. The defense of Canada regulations did not sufficiently regard, and frequently violated such basic civil rights as jury trials, freedom of speech, press and assembly, and protection against arbitrary arrest. In another war the defense of Canada regulations collectively, and subsequent orders in council individually, should be submitted to Parliament as soon as possible for ratification or amendment, and should be validated for only one year at a time.

* * *

JOHN MURRAY GIBBON, former Public Relations for C.P.R., Montreal.

Conditions now are so different from those of the Second World War that plans and policies for present contingencies should be formulated to meet the occasions as they arise. The Russians were on our side then, and could be trusted. Canada would be wise to keep step with the British Commonwealth leaders who have more experience in dealing with Asiatics than the United States and are less domineering.

* * *

J. GERALD GODSOE, Executive vice-president and director, British American Oil Co., Toronto.

All emergency measures of the last war need most careful review before application again. Conscription of manpower, wage and price controls and subsidies require particular attention. Excess profits tax should be replaced by other taxes or a radically improved type introduced. All wartime measures require careful review in order to avoid unnecessary interference with the liberty of the subject. Those mentioned require particular attention because they, more than most others, taught us useful lessons in the last war.

* * *

GRENVILLE W. GOODWIN, Mayor, Ottawa.

Protective measures will need most careful review owing to wider-spread fifth column influence in the form of Communists and Communist sympathizers.

* * *

W. M. LAUGHLIN, Proctor, Redfern & Laughlin, Toronto, 1951 President, Ontario Association of Professional Engineers.

In the last war, when it became apparent that a serious shortage of technically trained persons was developing, the engineering profession recommended to the government that control on movement of such people be instituted. This resulted in the wartime Bureau of Technical Personnel. Part of the powers of this body should be re-enacted immediately to enable a complete listing of all professional engineers, their present employment, present responsibility and salary.

Salary controls of the last war worked a distinct hardship on many professional engineers. The demands of our suddenly expanded industry far exceeded the supply. It was common for a professional engineer to find almost overnight his responsibility tremendously increased and his hours of work limited only by the power of his physical endurance, yet his salary remained pegged by controls. If the present status of professional engineers is ascertained, then if sudden expansion is required we will be in a position immediately to direct technical persons to the post in which their training and ability will be used to the greatest advantage and to arrive at a fair monetary return, based on the extent of the individual's contribution to the common cause.

* * *

HUNTER LEWIS, Vancouver Branch, Canadian Civil Liberties Union, Vancouver.

As chairman during the last war, I prepared a comprehensive, detailed brief to the prime minister on defense of Canada regulations and, subsequently, extensive briefs on infringements of minority rights, notably Japanese. My strong belief is that the things said then demand saying again now.

* * *

A. A. SHELLEY, General Manager, O.K. Economy Stores, Saskatoon.

Regulations of last war were designed to control prices and ensure equitable distribution. If identical conditions are repeated, general principles formerly employed seem appropriate for reapplication. But whereas compliance for thousands of harassed well-meaning food retailers was impeded by lack of adequate pattern among numerous otherwise similar control provisions, such regulations before reimposition should be carefully scrutinized with the object of bringing about more understandable pattern without sacrifice of control essentials. Wider recognition of traditional trade experience and practice when framing controls would greatly facilitate the high degree of compliance which retailers generally are anxious to observe.

* * *

A. B. SHEPHARD, C. A. Thorne, Mulholland, Howson & McPherson, Toronto.

A number of emergency measures of the last war require careful review before re-application. For example, I favor wartime taxation of business income at special flat rate rather than rates applied to profits above assumed normals. This basis coupled with controls on salaries and wages would avoid many administrative difficulties which accompanied the excess profits tax act and the inevitable inequalities which resulted. It should also tend to reduce waste and extravagance which sometimes characterized operations when confiscatory taxes were applied to top level profits. Cost plus war contracts were also subject to the criticism that they bonused inefficiency, and the basis of competitive bids with over-all renegotiation would seem to be preferable.

* * *

O. F. YOUNG, Editor, News-Chronicle, Port Arthur, Ont.

Generally I would approve controls of the last war, inclusive of price controls which might be applied forthwith but excepting rent controls which should be carefully revised in the light of experience. The basic idea of rent controls is right but as previously applied, non owners were given undue and unjust authority over other people's properties and in too many cases failed to give them the care they should have. Otherwise too, there came into view too many inequalities. These should be subject to more careful review.

Also there should be more flexibility to let people become occupants of properties purchased for their own use. There should be more inducement for people to build for rent which formerly was virtually impossible. To do this and protect tenant from exploitation is the problem. But it is by no means impossible.

COMPANY REPORTS

NATIONAL TRUST CO. net profit for the year ended Dec. 31, 1950, amounted to $424,843, compared with the previous year's $420,851.

Estates, trusts and agency assets at year's end were $354,547,190, against $341,937,861 in 1949, and savings deposits stood at $31,367,778 ($28,571,995).

Annual meeting will be Jan. 23, 1951, in Toronto.

	1950 $	1949 $
Liabs. to public* ...	31,636,427	28,855,102
Shareholders' equity	6,534,519	6,409,677
*Secured by:		
Mtges. & sls. agree.	3,475,416	3,249,063
Realty	3,063	3,881
Office premises ..	810,348	810,348
Liquid assets‡	33,882,119	31,201,487
Total	38,170,946	35,264,779
‡Includes bonds and stocks.		
Estates accounts	354,547,190	341,937,862
Net profit	424,843	420,851
Earned per Share ...	$1.42	$1.40
Paid	1.00	1.00

JAMES W. SEWALL
COMPANY
Consulting Foresters
Main Office: OLD TOWN, MAINE
PHILLIPS & BENNER
RUTTAN BLOCK
PORT ARTHUR, ONTARIO
Established 1910

New Issue

GUICHON MINE LIMITED, N.P.L.

(Incorporated under the laws of the Province of British Columbia)

$150,000

To be dated 15th December, 1950 To mature 15th December, 1954

SECURED SINKING FUND CONVERTIBLE 4% NOTES

Redeemable at the Company's option on 60 days' notice at 105% plus accrued interest.

Denominations: $1,000, $500, $100 fully registered.

Security: Under Trust Agreement with the Toronto General Trusts Corporation, Trustee, these notes will be secured by a first and floating charge of all the assets of the Company, subject to a contingent liability of $28,399.08, which is payable out of 10% net smelter returns to the vendors under certain claims known as the Copperado property, now held by the Company, and also subject to an indebtedness of $6,500.00, being a balance payable under an option dated September 16, 1938, in respect of seven crown granted mineral claims.

CONVERSION PRIVILEGE

These notes may be converted at the option of the registered holder into 200 fully paid shares of no par value of the capital stock of the Company for each $100 par value of notes held, so long as any of these notes shall be outstanding or until their redemption.

BONUS OF COMMON SHARES

The bonus of common shares to the note holder will be held until Aug. 15, 1951 by the Trustee and then released in the ratio of 100 shares for each $100 of notes held.

PRICE: 100

A copy of the prospectus offering these notes will be forwarded upon request.

NOTE: The secured notes described herein must be considered as a speculation until such time as the properties of the company are brought into production.

TRUSTEE AND TRANSFER AGENT
The Toronto General Trusts Corporation, Vancouver

MANAGEMENT:
President.......... W. T. Fairgrieve
President, Cylinder Grinders Ltd., Vancouver
Vice-President.......... R. H. Quinn
Pharmacist, Vancouver
Secretary-Treasurer.......... P. S. Ryan
Vancouver
Managing Director.......... J. D. Ferguson
Formely with Granby & Wright Hargreaves
Consulting Engineer.......... B. W. W. McDougall, M.E.
Consulting Mining Engineer, Vancouver

DIRECTORS:
G. Stanley Miller, Barrister & Solicitor, Vancouver
Oskar Johnston, Logging Operator, Vancouver
R. L. Morrow, Investment Dealer, Vancouver
Joseph Guichon, Rancher, Quilchena P.O., B.C.
L. L. Jessen, former owner Boyles Bros. Drilling Co. Ltd., Vancouver
Alderman J. D. Cornett, Merchant, Vancouver

BUSINESS OFFICE
119 Pacific Building, Vancouver, B.C.

MINE OFFICE
Merritt, B.C.

SOLICITOR
G. Stanley Miller,
124 Pacific Building

AUDITOR
S. N. Crowther,
744 West Hastings St.

Consult your Broker or
H. J. BIRD & COMPANY LTD.
INVESTMENT SECURITIES
566 Hornby St., Vancouver, B.C., MA. 2487
Members—Vancouver Stock Exchange

AUDIENCE STUDY
OF
RURAL WESTERN CANADA

Provides for the first time, authentic information on characteristics and publications read.

● Through this Study and Report, there is now provided authentic information on the rural audience in the Prairies including characteristics of Country Guide readers as well as information on types of publications read in both farm and small town (rural) homes in these areas.

● The purpose and scope of the survey and methods used are outlined below. The complete report is now available in booklet form.

Purpose and Scope

The purpose was to provide authenticated information on Country Guide readers and the farm market in the Provinces of Manitoba, Saskatchewan and Alberta.

As such it was designed to give advertisers, advertising agencies and publishers as complete a picture as possible of the farm audience and the rural Prairies.

In addition, the Study provides information on types of publications read in these same rural areas.

The Study covers 1000 individual interviews during June and July, 1950.

Results are as impartial and objective as modern methods of research can make them. The Study was planned and carried out by Canadian Facts Ltd., without direction from The Country Guide except for the general areas of information in which facts were secured.

This is the first time that the audience of a Canadian farm publication has been so studied. All costs have been defrayed by The Country Guide.

How it Was Conducted

An "Audience Study of 11 Magazines in Canada" was made in 1949 and released to advertisers and advertising agencies late in 1949.

The information in the Magazine Audience Study was prepared under the supervision of a special committee of magazine publishers operating in co-operation with the Canadian Advertising Research Foundation, which is sponsored by the Association of Canadian Advertisers and the Canadian Association of Advertising Agencies.

The present "Study of The Country Guide Audience", while not sponsored by any of these three organizations, was planned and executed by "Canadian Facts" who conducted the Magazine Audience Survey. In order to provide results of maximum reliability, the present Study was deliberately patterned as closely as possible, without any change in principle, along the lines of the "Audience Study of 11 Magazines in Canada". The only alterations made were those needed to adapt and apply the principles to a study of a farm magazine in only one section of the country.

The same organization, and to a large extent the same trained field representatives conducted the interviewing. Even the study sample was taken directly from the original probability sampling designed for the Magazine Audience Study.

The present study provides for the first time, authentic information on a large section of the rural market—the Provinces of Manitoba, Saskatchewan and Alberta, together with characteristics of Country Guide readers in these Provinces and data on the reading habits of rural residents in this area. All information is shown separately for members of "farmer" and "non-farmer" households including small towns and villages.

To report the findings in this report, 1000 individual interviews were made during June and July 1950 in open country areas which included 737 "farmer" households and 263 "non-farmer" households. The territory covered by this Audience Study takes in 74% of The Guide's total circulation and 87% of its circulation in the Prairies. If the number of readers per copy found in the rural Prairies was projected to The Guide's present (approximately 200,000) circulation, the total Guide audience would be about 720,000 readers.

(Because of the value of the information in the report as well as because expenses were borne entirely by The Country Guide, a nominal charge of $1.00 is being made, except to key advertisers and agency personnel. Copies may be secured for $1.00 each on application to The Country Guide, Winnipeg).

THE Country GUIDE
WINNIPEG - CANADA

OVER 70% OF THE WESTERN MARKET IS RURAL • CANADA'S LARGEST MONTHLY RURAL MAGAZINE

Industrial Acceptance Corporation Limited, Montreal, announces the appointment of Keith H. MacDonald as Regional Sales Manager for the Province of Ontario. Mr. MacDonald will be located in I.A.C.'s Central Toronto Branch at 1141 Bay Street.

Mr. MacDonald has had wide experience with I.A.C. in a number of Ontario branches and prior to his present appointment, was Regional Sales Manager for Western Canada with headquarters in Calgary.

*

What's New

New Products, Applications and Ideas Gathered from World-wide Sources or Made in Canada for the First Time

Plastic Harmonica

Harmonica for beginners is made of Bakelite styrene plastic, is lightweight, non-fragile and rust-free. Unique feature of harmonica is molded-on horn. Hand movements over bell of horn give violin sounds, tremolos, and vibratos, with special effects like train sounds, mutes, easy to get. Instrument is about four inches long, has six holes, 12 reeds and tuned to key of C.

* * *

Stacks For Packing

Cardboard cartons are made with lip around top which fills indented bottom of carton packed above. Interlocking features do away with packing straps for shipping. Cartons made of standard corrugated cardboard, reinforced with double bottom.

* * *

Cleans Quickly

For mechanics and industrial workers in general using oil and grease, plastic device can be attached to machine, bench or wall for permanent use as quick hand wiper. Cut-outs for fingers and back piece make it possible to clean whole hand in one operation. Device has a well which collects oil coming from hands, centralizing the disposal and saving the oil.

* * *

Paint On, Scrape Off

New product on the market cleans old floor surfaces without sanding process. Two coats of non-inflammable fire-resistant liquid, when given about 15 minutes to loosen old surface, will clean off paint, varnish, shellac or wax from furniture and floors without raising grain of the wood, maker claims.

* * *

Home Food Mixer

Mixer has two Pyrex mixing bowls rotating by action of beaters on bottom of bowl. Power is obtained by ⅛ hp motor. Control switch on front handle is easily accessible to right and left handed persons. Plastic juicer is accessory of new food mixer. Maker claims 24 ounces of juice can be made without emptying seeds and pulp. Food grinder attachment is said to grind a pound of meat a minute.

* * *

Nameplates

Made of aluminum foil, nameplates are backed with a high tensile bonding material and stick to any smooth surface without the need of screws. Plates come in five colors and are said to be corrosion resistant.

* * *

Speeds Wrapping

An automatic dispenser and cutter of gummed tape simplifies wrapping packages. Cutting lengths from 2 to 40 inches, machine operates on 115 v. 60 cycle a-c, and has moistening unit easily removable for cleaning. Control dial on top of machine sets tape length and finger-tip pressure rolls out a strip of tape, already cut for use.

* * *

Aluminum Wheels

For industrial plants and food processors a new low-cost, industrial wheel is now obtainable. Made of cast aluminum with solid rubber tread, wheel hub structure has inexpensive roller bearings and sealed-hub features of higher cost models. Maintenance is claimed to be simple with special fittings for periodic lubrication, without holding up handling equipment.

* * *

Sweeps Metal Scraps

For use in keeping runways and roadways clean of nails and metal scraps is a magnetic sweeper, operating at a low cost and offering a high sweeping area along with compactness. Models range in width from 12 to 72 inches.

—Photo by Blank & Stoller

IVAN A. MARTIN

a partner in the firm of Hughes & Co., has been elected a member of the Montreal Curb.

* * *

Rubber Resists Freeze

A white rubber band resistant to sub-zero temperature is proving helpful to frozen food packers who need bands in processing food which do not lose their elasticity when frozen.

* * *

For Fuel Economy

New metallic catalyst accelerates the rapidity of the chemical reaction of combustion of coal. When used one-half pound to one ton of coal, catalyst will prevent formation of hard clinker and objectionable smoke, company claims. It is said to reduce the quantity of coal burned when properly applied and with drafts reduced correctly. Product can also be used with diesel and fuel oil.

* * *

New Catalogues

Building Materials — Atlas Asbestos Company Limited of Montreal has released three new catalogues on asbestos cement building board, dealing with Trafford Tile, Corrugated Board and Flat Board.

New Textile Firm To Handle All Types of Fibres

A new company—Textile Fibre Service, Ltd.—has been formed to handle and process all classes of animal, vegetable and synthetic fibres. With head office in Toronto and directorate associated with Monarch Knitting Co. and Wool Combing Corp., the company will provide a service in these fibres processed and blended to the individual requirements of the firms in the wool, cotton and synthetic branches of the textile industry.

Actual processing will be done at the recently acquired new plant of Wool Combing Corp. of Canada in Galt, Ont. which came into production last week. Wool Combing will continue to operate its Acton, Ont. plant specializing in wool combing. President of new company is Rt. Hon. Lord Barnby, London, Eng., Leslie Biggin and Kasimir Markon are vice-presidents. G. F. Leaver is treasurer.

Heil Auto Lines For Eastern Steel

Eastern Steel Products Ltd. obtained the exclusive license, Jan. 1, 1951, to manufacture and distribute the automotive truck equipment of Heil Co., Milwaukee, Wisc., in Canada, R. E. Bates, manager, Automotive Division of Eastern Steel Products, announces.

The Heil line includes contractor bodies, rock bodies, coal bodies, conversion hoists, Heiloader tailgates and sanitation bodies (Colecto Pak). Initial production by Eastern Steel in Canada will consist of Heil dump bodies and hoists. Production will be stepped up later to include the full Heil line, Mr. Bates states.

The signing of the Heil agreement will not affect the manufacture of other automotive lines by E.S.P. Frink Sno-Plows, Trailblazer Road Roller and Scrapers and the most recent addition to the E.S.P. line—Clement Winch Lift Dump Trailers—will continue to be manufactured and distributed across Canada.

Prov. of Quebec Calls 3¼% Issue

MONTREAL (Staff) — The Quebec Government has announced plans for redemption, March 15, of $10 millions 3¼% Province of Quebec debentures, dated March 15, 1939, and due March 15, 1954. Redemption price will be par plus accrued interest.

It's thought in investment circles that no new financing will be undertaken to provide funds for this and that redemption will be made by cash or through bank loans. The possibility is seen that some new financing might come up next fall.

The NEW
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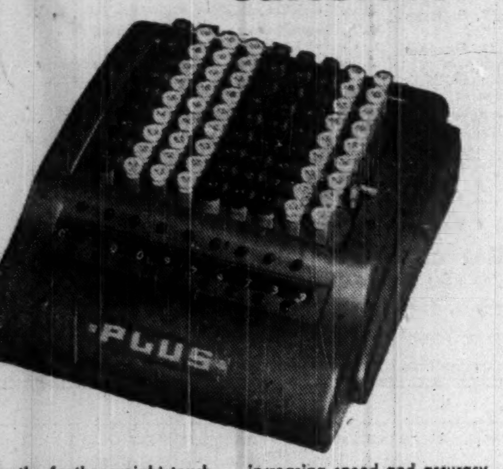

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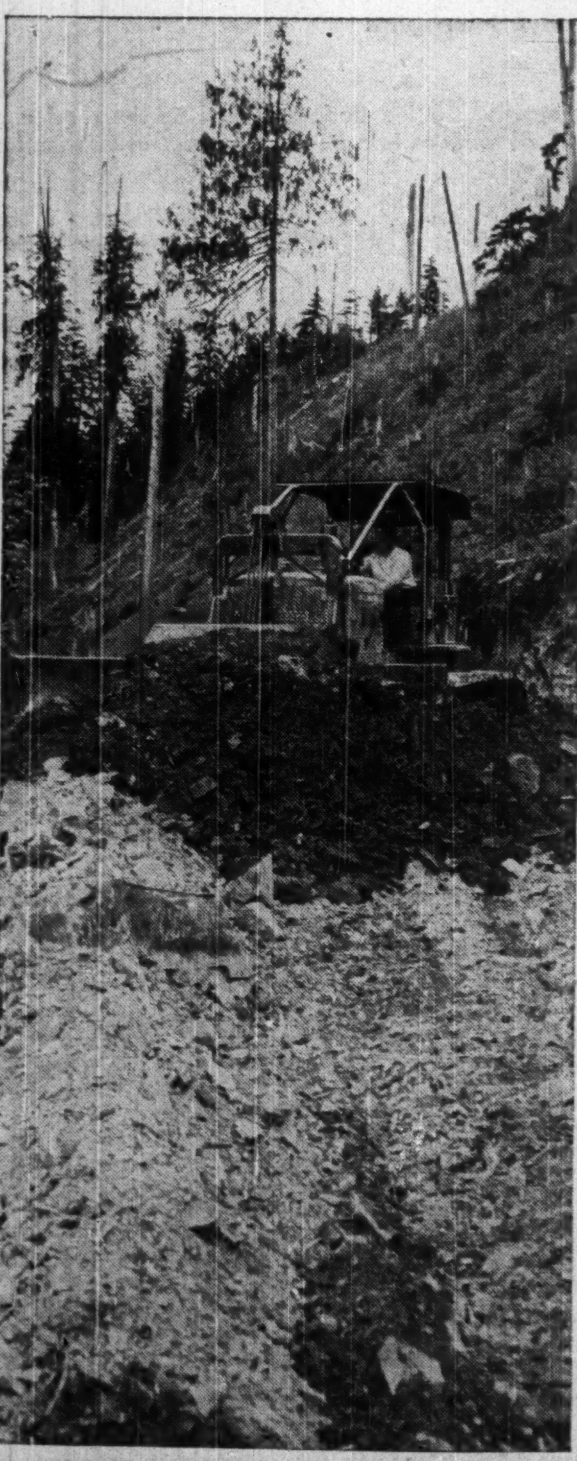
SECRET OF SUCCESS

The International TD-24—
"Champion of Crawlers"



Wherever there's dirt to be moved—wherever the job is tough for ordinary tractors — the secret of success is the "Champion of Crawlers" — the International TD-24.

The owner of the TD-24 on your right put his "Champion" to work building a road on a rocky mountain-side. He says, "The secret of success of the TD-24 on this job is the 'Planet Power' steering. The tractor stays up in the bank easier and pushes bigger bladeloads farther than any other tractor can. This means a lot more earth moved at the end of the day."

Your International Industrial Power Distributor is the place to go for the matchless power and performance provided only by the International TD-24. Find out all the facts about the exclusive TD-24 features which make this "Champion of Crawlers" the contractors' choice where the going is toughest. You'll find the TD-24 is the contractors' "secret of success" on jobs where other tractors fail.

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THE KEY TO THE EXPANDING WESTERN MARKET IS THE

Free Press Weekly
PRAIRIE FARMER

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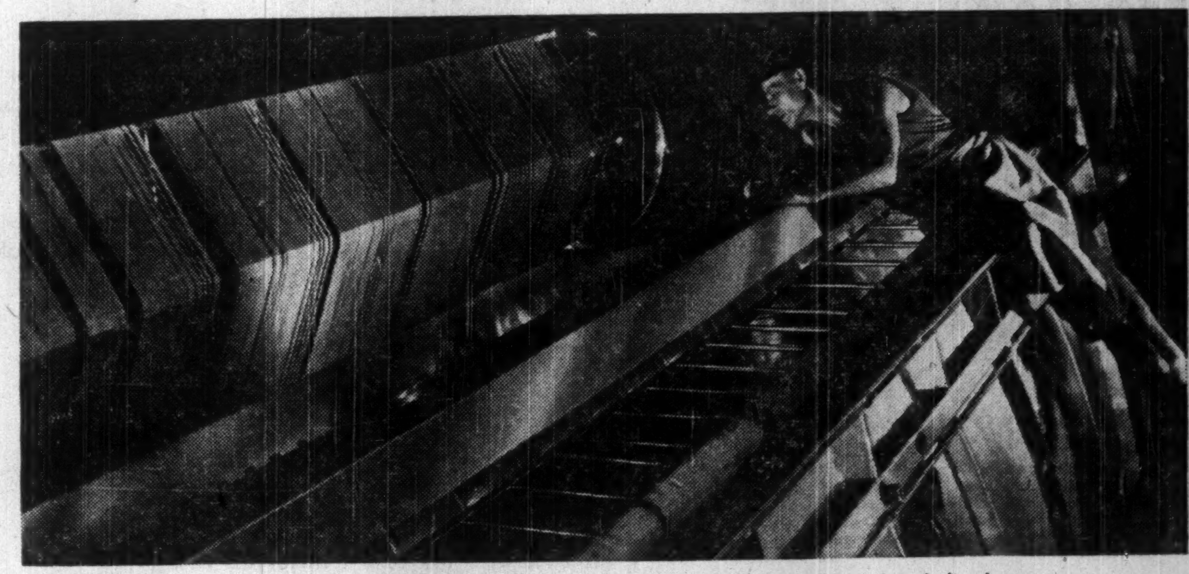
BLANKETING THE WEST—REACHING OVER 90% OF RURAL HOMES



In the textile industry, this 20-foot stainless steel reel is used for dyeing woollen and worsted goods. Its unique construction and high tensile strength permit heavy loads.

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THE SWING IS TO STAINLESS STEEL!

From pots and pans to Pullman cars ... from bolts and nuts to brewery vats ... modern manufacturers are fabricating just about everything (*including* the kitchen sink) from gleaming, indestructible STAINLESS STEEL.

Result? More efficient performance from precision machinery, complete resistance to weather and chemical action, increased eye appeal and easier selling for countless consumer products.

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Find out how stainless can help *your* products to gain an advantage in today's competitive market. Address inquiries to Atlas Steels Limited, Welland, Ontario.

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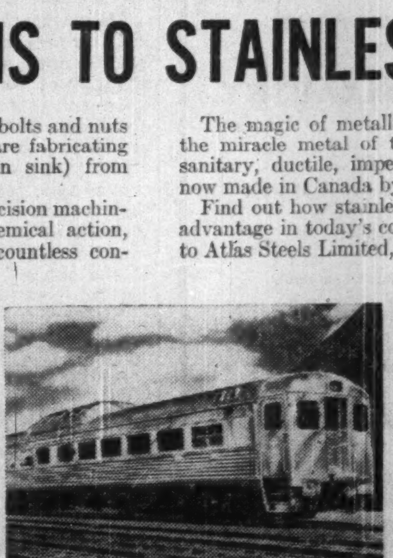

The designers are proud of this all-stainless steel, air conditioned rail diesel car, which will accommodate 90 passengers.

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5-50

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The Financial Post

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Why Ottawa Opposes Conscription NOW

Mighty Job Upheaval Coming Soon As Defense Program Swells

By KENNETH R. WILSON

For 1951, Canada is heading into the tightest manpower squeeze since the last war. We're also due for the biggest manpower upheaval since then.

This does not yet spell conscription, nor selective service, nor national registration.

These three are the "ultimates," presently reserved for all-out war mobilization. If and when total war occurs, all of these will be required immediately. There won't likely be any delay; nor any lost motion, as in the ill-fated National Registration of 1940.

But the present manpower problem — it is stoutly affirmed in Ottawa — is different.

What's ahead for 1951, is a tremendous squeeze for men by defense industries, and that means a shift from peace businesses likely to become casualties through lack of necessary materials. There's also going to be pressure from the armed services to boost present strength by 25% to 30%.

Conferences in Ottawa in the past few days have confirmed the view that even topside brass in the services themselves don't want compulsory military training at this stage. The chief lack, at present, is ground crew for the Air Force. Intake of 300 a month must be stepped up to 450 to meet present plans; must go considerably higher when the Cabinet approves an enlarged Air Force for 1951-52.

Three things would provide this incentive:

1. Announcement that Canadian fighter squadrons will actively participate in integrated European force (instead of merely "train" in U.K.).
2. A change in recruiting emphasis from: "it's a good life" (as at present), to an all-out: "the time is now" appeal.
3. Lowering of educational standards. (Of 3,600 applicants in recent months, more than half — about 1,700 — were rejected for educational reasons, only 350 for medical shortcomings.)

Present strength of the armed services is about 62,000, against a present ceiling of 69,000. The gap is largely Air Force which currently lacks 6,000 men from its present target of 25,000.

It's claimed that when the government "froze" the services to existing strength last spring, recruiting offices had to be closed and the flow of new blood into the Air Force virtually stopped. Only now is the intake climbing — despite the fact that December is traditionally a slack month.

Thus it is claimed that once it is made clear that the Air Force has a job to do — now — then the response may parallel the "special force" appeal which brought nine or ten thousand men into the army in a few weeks — 42% of them veterans of the last war.

Big Army Not Likely

Other points in the services' arguments against conscription at this time are important:

First is this: Canada isn't going to be called on to provide a big ground force army immediately or in the event of total war.

This point involves Canada's role in present and future North Atlantic Treaty Organization plans.

It is argued that our first responsibility is the defense of Canada — today and always. But the experts say it is quite impossible to think of the Russians dumping an army on this continent. (For one thing, it's claimed, they haven't enough planes to carry out such an operation). Thus our big job, here, is to maintain (with the U.S.) highly-trained operational air fighter squadrons, plus plenty of fighter strength, plus ground and listener radar defense.

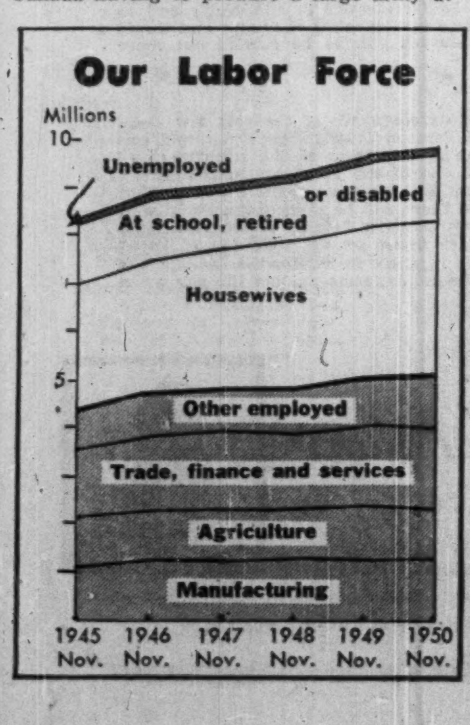
This program is now well under way. It's going to cost the Canadian taxpayer a lot of money. But it isn't the sort of program that needs a lot of manpower.

Besides the defense of Canada, there's our obligation to NATO.

For that, we'll be expected to contribute this spring, one brigade group — about 5,000 men. Proportionately, it is claimed, this will match the American contribution. And it is stated in highest quarters that NATO authorities are more than pleased with this, in light of Canada's other contributions of divisional equipment, air training facilities, planes, radar, etc. (Perhaps we'll hear more of this when Gen. Eisenhower visits Canada later this month.)

Then, there's our role and probable responsibilities in the event of total war.

On this point again, it is claimed that none of the foreseen contingencies call for Canada having to produce a large army at the drop of the hat. A likely guess is that we'd need say 30,000 to 50,000 ground troops within 12 months; that we'd set about immediately putting a million men under arms. But since present plans call for complete mobilization of all manpower in the event of total war, it is not believed this will be very difficult.



There is an important reservation here. It is this: that within the services themselves grave doubts are expressed as to the time lag required to take a national registration and organize selective service or a draft system. One estimate says six precious months would elapse. This leads to urgent suggestions for National Registration now, to get plans readied without the delay waiting for all-out declaration of war.

The Cost of Training

The second major argument against conscription is that the military disadvantages of a scheme such as the Canadian Legion demand last week, presently outweigh the advantages.

For example, to provide four months basic training, plus three years of "reserve" service for Canada's 18-year olds as they become of age, would tie up a training force of 16,000 men from Canada's present active forces; would cost $200 million annually, plus $211 million for capital equipment of which $140 million would be new construction.

It would also require national registration, draft boards and a national allocation system to fix the men into existing regimental and service units.

Defense authorities show no disposition to shrink from any of these commitments — if the end result were useful.

But top-brass contention appears to be unless the world situation changes overnight into all-out war, the disruptions which such a plan would cause within this country would far outweigh its military advantages.

Here's one example they give: the sort of basic training which could be learned in a few months is easily learned — and as soon forgotten. In an all-out emergency, this training would have to be done all over again. Meanwhile, if the emergency did occur, there'd be discontent at having "nothing to do" — plus racial and provincial complications arising from the draft — complications which it is believed will disappear almost completely once all-out mobilization is clearly called for.

To support this, it is noted that the response in French Canada to the call for the special force, has been within 1% of the national distribution of our population. This wasn't true at first, but subsequent French Canada response has boosted the total to the above proportions.

This in itself is put forward as important in a country where conscription has been a national nightmare for generations. It is taken to mean that Quebec now stands ready to do its part, once the need is clearly shown.

It is therefore argued, that since large ground forces are not presently required from Canada, it is better to concentrate on the "qualitative" side of our effort, rather than jump into a big, costly and disruptive program which, at present, will produce little military advantage.

Comparing Contributions

There is one further vital question which inevitably comes up when manpower and "proportionate sacrifice" are discussed.

That is: how can Canada justify the fact that her present manpower contribution is less than one third of the United States (proportionate to population) and perhaps one fifth that of Great Britain? Also, that United States is now making additions to her forces which will increase the disparity; and that all countries in the NATO partnership (except Canada and Iceland) have compulsory military training or service.

The arguments about compulsory military training are answered largely on the basis of "performance."

A voluntary force is admittedly better than a conscript force — particularly for a country like Canada, which specializes in air training. Also, so long as Canada is, over-all, "pulling her weight" on total contribution, it's felt it must be left to us to decide which way of exacting sacrifice from our people is the proper one.

Even if Canada were to conscript every expendable male for the armed forces, our contribution would still be so small as to make little or no difference in the over-all "deterrent force" required to hold 175 Russian divisions in check in Europe.

In short, we are a very small power, in terms of population — and it is therefore all the more important to get from us the specialized contribution that is best suited to our position and situation. (There is also a further point about U. K., namely that much of her armed service strength goes to protect her colonial outposts.)

In all this, there is no attempt in Ottawa to justify the fact that the proportions of our manpower devoted to military strength are not comparable to those of several other NATO partners. It is contended rather, that by the time the next federal budget is fixed, it will be shown that we're devoting at least 9% of our national income to defense and arms aid — a figure that will put us alongside, or close to, the comparable contribution of any other partner — except possibly U. S. or U. K.

Where the Trouble Lies

The services intend to speed up recruiting within practical limits and, by easing educational requirements, do much of the important technical training themselves. (This doesn't apply to the Navy, which is presently getting all the men it can handle, but is short of officers).

The real manpower squeeze for 1951 is therefore likely to be in defense production, plus the unprecedented capital expansion program now under way, plus an all-time high mark in demand for "civilian" or non-durable type goods.

It is clear now, that we simply aren't going to be able to meet all these demands, and that by February or March at the earliest, we're headed for very serious trouble.

Here are some sobering highlights:

1. **In nine months,** Department of National Defense has placed $700 million of orders for armament construction and supplies. That's 20 times the comparable orders prior to World War II; six times total orders placed in the first year of that war. And for 1951-52, defense spending is likely to be double the 1950-51 rate, with production, not the dollar sign, as the limiting factor.
2. **Armament orders** for NATO countries are just starting to roll, under the $300 million arms aid program. The first order ($40 million) went through last week; others pending will reach or exceed $150 million very shortly.
3. **Capital expansion plans** for 1951 (plus hundreds of millions of dollars of unfinished 1950 business) is at an all-time peak (22% of national production). We're already experiencing critical bottlenecks in materials, which portend imminent and far-reaching controls.
4. **Employment in manufacturing** has been sharply rising since June 1; is currently at its postwar peak. Durable goods industries at Nov. 1, employed 7% more than November, 1949.
5. **New record employment peaks** were reached in November in construction, public utilities, trade and finance. Employment in these five groups now total 1¼ million — up 43% from the same month five years ago.
6. **Canada's jobless shelf** is pretty bare. On Nov. 4, 1950, we had only 117,000 persons without jobs and seeking work, according to the DBS Labor Force survey. This is only 2% of civilian labor force at work, against a comparable figure of 13.6% (573,000) in June, 1939. (Applications for employment at NES offices on Dec. 14 were 207,000 — 42,000 less than at the same time the previous year.)

Added together, these facts and factors suggest that we're heading for the tightest manpower squeeze since the last war.

Here in tabular form, is the present position and growth story of employment in key industries and manufacturing, according to official DBS figures:

EMPLOYMENT TREND IN CERTAIN KEY INDUSTRIES†
(No of Workers)

Iron and Steel	Nov. 1 1950	Nov. 1 1949
Primary	40,800	36,500
Machinery	30,700	27,500
Farm Implements	15,400	15,000
Ry. Rolling Stock	54,400	57,600
Autos and parts	53,700	48,500
Aircraft	12,000	10,900
Shipbuilding	12,700	13,600
Heating Appliances	8,800	8,900
Structurals	11,400	11,600
Foundry, Machine Shop	8,500	8,400
Total	300,000	286,000
Electric Appliances	62,000	53,800
Non-Ferrous Metals	47,500	46,100
Chemicals	45,200	43,700
Textiles	170,000	163,000
Rubber	23,400	20,900
Pulp & Paper Prod.	118,900	114,000
Lumber & Prod.	91,000	83,000
Leather	30,000	31,000
All Manufacturing	1,125,000	1,075,000
Durable Goods	525,000	491,000
Non-Durables	565,000	550,000
Electric Power	35,000	35,000

† As reported to Dominion Bureau of Statistics by employers having 15 or more employees.

To date, authorities at Ottawa have professed very little alarm.

Some statistical analysis is being done in the Department of Labor. But the standing interdepartmental committee of the government on manpower apparently hasn't even held a meeting.

There's been a lot of thought about how to meet the final emergency of all-out war — but little belief in the need or efficacy of selective service or "manpower clearance" short of national registration and complete job freeze and selective service on a war-time basis.

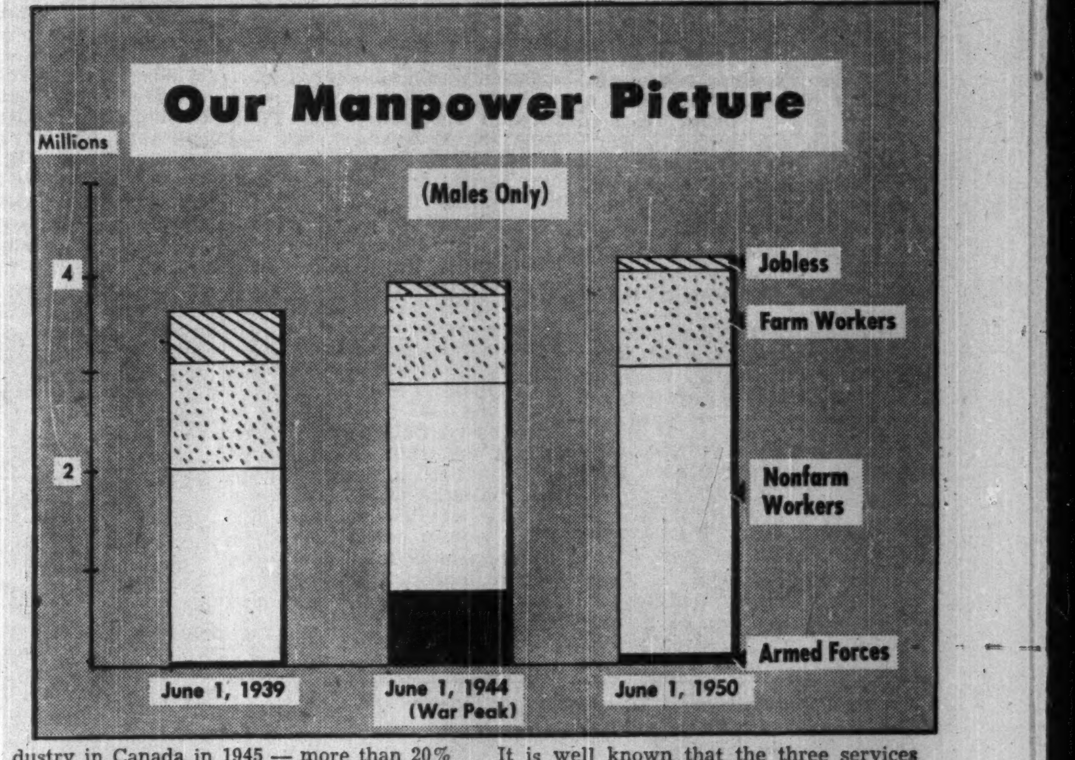
Women in the Services?

One interesting line of speculation is the extent to which women could be brought back into employment and into the armed services.

In the last war, there were 1.4 million women in the armed forces or the labor force — about 30% of the employable population.

The services alone employed 47,000, of which 22,000 were CWAC's (army); 6,700 were Wrens (navy) and 16,800 RCAF (WD's). Peak strength was December 1944, when these three services respectively reached 16,500 (army); 5,700 (navy); and 13,600 (air force).

There were 176,000 women in war industry in Canada in 1945 — more than 20% of all war industry employment in that year. Of these, 43,000 were in munitions, 33,000 in aircraft, 6,000 in shipbuilding, 7,000 in mechanical transport, 32,000 in other metal industries.



Today, the over-all percentage of women employed in manufacturing is pretty close to what it was in 1939. But there are wide differences in what has happened in different industries since the war, and since 1939. Here are some illuminating percentages:

Proportion of Women Employed in Certain Manufacturing Industries

	1939 %	Oct. 1 1944 %	Oct. 1 1950 %
Textile Prod.	51	60	53
Tobacco	51	69	57
Beverages	8	22	13
Electrical Apparatus	24	43	28
Iron & Steel	6	16	8
Non-Ferrous Metals	9	23	13
Non-Metallic Minerals	6	10	9
Chemicals	24	40	23
Rubber	30	33	25
All Manufacturing	22	29	23

It is well known that the three services are actively canvassing the possibility of bringing women back into uniform. But if action is taken, it is most likely to be on a "reserve" rather than an "active" basis.

What's most likely to develop in the manpower field generally, is a pretty violent job scramble and upheaval, if and when non-essential industry lays off men and women through shortages of supplies and critical materials with new emphasis on the National Employment Service as the chief clearing agency.

Some of those laid off, will doubtless find their way into the armed services; most of them into mushrooming defense industries —industries destined to hire many thousands of new workers in the next few months as newly-placed orders begin to roll.

That's the picture at mid-January, 1951.

There is one qualification that's important: the picture is changing very rapidly — if not from day to day, then most certainly from week to week.

But things aren't likely to get any easier. If they do change, it will be towards greater, not less pressure and shortage.

Two Managed Investment Success Stories

Here's Six-Year Record of The Post's Compton, MacNab Account Operations

By JAMES H. JOYCE

Will there be all-out war this year or next year? If not, what turns will our present international situation take? How much more inflation? What government controls? To what extent will corporate and personal income taxes be raised?

These are some of the questions in the minds of all investors. Individual investment policy will depend on how each investor assesses these factors. No doubt his appraisal may change during the year as further information becomes available and as other vexing questions arise.

Here's the Six-Year Record

MacNab Account

MacNab's account shows the following changes:

A capital gain of $10,046 or 100.5% (original value: $10,000 — D.B.S. common stock index is up 67.1%) over the six years.

A capital gain of $4,879 or 32.2% since Dec. 15, 1946 (D.B.S. common stock index up 35.6%).

A capital gain of $1,769 or 9.7% in the past year (D.B.S. common stock index up 22.4%).

A prospective annual income gain of $367.03 or 71.4% over the six years and of $40.75 or 4.9% in the past year ($880.75 now against $840.00 a year ago and $513,72 originally).

An income return of 8.81% on the original investment and of 4.40% on current market value.

An investment of 45.3% of the account's value in bonds—up from 38.8% a year ago and from nil at Dec. 15, 1944.

A decrease in preferred stock holdings to 2.9% from 10.9% at Dec. 15, 1949, from 40.4% at Dec. 15, 1946, and from 21.8% originally.

A decrease in industrial common stock holdings to 42.3% from 46.5% at Dec. 15, 1949, but up from 28.1% at Dec. 15, 1946, and down from 54.9% at Dec. 15, 1944.

An increase in mining and western oil stocks to 8.6% (through purchase of a western oil stock) from 3.7% a year ago and from 4.3% at Dec. 15, 1946, but down from 16.5% at Dec. 15, 1944. A convertible bond of a western oil company is held but is shown among the bonds.

A decrease in the number of companies whose securities are held to 14 from 25.

Account distributed as follows:

MARKET VALUE

	Dec. 15, 1950 Amount $	%	Dec. 15, 1949 Amount $	%	Dec. 15, 1946 Amount $	%	Dec. 15, 1944 Amount $	%
Bonds	9,082	45.3	7,085	38.8	4,010	26.4	....	...
Preferred	575	2.9	2,006	10.9	6,125	40.4	2,185	21.8
Common	8,484	42.3	8,497	46.5	4,260	28.1	5,485	54.9
Mines and Oils	1,716	8.6	678	3.7	650	4.3	1,650	16.5
Cash	189	0.9	11	0.1	122	0.8	680	6.8
Total	20,046	100.0	18,277	100.0	15,167	100.0	10,000	100.0

Compton Account

Compton's account shows the following changes:

A capital gain of $6,114 or 61.1% (original value: $10,000—D.B.S. common stock index up 67.1%) over the six years.

A capital gain of $3,098 or 23.8% since Dec. 15, 1946 (D.B.S. common stock index up 35.6%).

A capital gain of $1,894 or 13.3% in the past year (D.B.S. common stock index up 22.4%).

A prospective annual income gain of $589.70 or 149.8% over the six years or of $100.32 or 11.4% in the past year ($983.45 now against $883.13 a year ago and $393.75 originally).

An income return of 9.83% on the original investment and of 6.09% on the current market value.

An investment of 6.8% of the account's value in bonds—down from 10.1% a year ago but up from nil at Dec. 15, 1944.

A decrease in preferred stockholdings to 27.0% from 34.2% at Dec. 15, 1949, and from 27.8% at Dec. 15, 1946, but up from 9.3% originally.

An increase in common stock holdings to 56.9% from 45.6% at Dec. 15, 1949, and from 33.3% at Dec. 15, 1946, but a decrease from 64.9% at Dec. 15, 1944.

A decrease in mining and western oil stocks to 7.6% (now all in mines) from 9.7% the year before and from 19.2% originally but up from nil at Dec. 15, 1946.

An increase in the number of companies whose securities are held to 30 from 25.

Account distributed as follows:

MARKET VALUE

	Dec. 15, 1950 Amount $	%	Dec. 15, 1949 Amount $	%	Dec. 15, 1946 Amount $	%	Dec. 15, 1944 Amount $	%
Bonds	1,101	6.8	1,431	10.1	5,023	38.6	....	...
Preferred	4,338	27.0	4,858	34.2	3,615	27.8	925	9.3
Common	9,160	56.9	6,493	45.6	4,337	33.3	6,486	64.9
Mines and Oils	1,227	7.6	1,384	9.7	....	...	1,925	19.2
Cash	288	1.7	54	0.4	42	0.3	664	6.6
Total	16,114	100.0	14,220	100.0	13,016	100.0	10,000	100.0

Some investors, particularly those with long-term objectives, seek partial protection from intermediate market swings by following specific investment plans formulated in the light of their personal circumstances.

To show how skilled investors operate, The Financial Post six years ago introduced Managed Investment as a service to its readers.

Two outstanding independent Canadian investment managers each undertook to operate a hypothetical investment account and report every security sale and purchase in The Financial Post. One we called MacNab, the other Compton. On Dec. 15, 1944, each manager was given a different list of securities having a total market value of $10,000. These lists are shown in an accompanying table.

How Accounts Have Grown

Now, six years later, the MacNab Account has a market value of $20,046 (over double its original value) and the Compton Account has a market value of $16,114 (61.1% higher).

Further, Compton's manager has raised his account's prospective annual income from $393.75 to $983.45 (an increase of 149.8%) and MacNab's manager has increased his account's prospective annual income from $503.72 to $880.75 (an increase of 71.4%).

During this period Canadian stock prices were up 67.1% on the average (as measured by the Dominion Bureau of Statistics index.)

Each manager has been following a definite investment plan. Despite the sharp break in the stock markets last June as a result of the outbreak of the Korean situation and the subsequent unsettlement for the rest of the year in the minds of all investors, each manager has stuck to his basic plan.

Each manager hedged his account against a fall in market prices of common stocks by building up its holdings of bonds and preferred stocks. Originally neither held any bonds. Compton now holds 6.8% in bonds and 27.0% in preferred stocks and MacNab 45.3% in bonds and 2.9% in preferred stocks.

MacNab Control Plan

During the past year MacNab's manager announced the adoption of his "control plan" stating that "any control plan followed systematically and with determination is better than none." However, he also noted that "it is dangerous to be too opinionated on the stock market and I am endeavoring to keep an open mind on how far this present bull market can go."

Later in the year he changed his control plan points. "As we are in a very highly inflationary cycle, I did not sell any stocks at the 210 level [on the Dow-Jones industrial average], feeling that the impact of the Korean war and large defense expenditures —both by United States and Canadian Governments—would obviate the necessity of carrying such a large amount of fixed income securities in your account and thought a new approach should be taken to the levels at which the control plan should operate," he noted.

Compton's Method

Compton's manager also reviewed the accounts' holdings in the light of prospective economic conditions and concluded that it was "prudent to weigh his holdings on the equity side, for the long pull."

"It is now clear that the most effective measures of indirect fiscal control—in Canada and the United States—cannot prevent some further inflation during the latter part of 1951." Compton's manager said, "By that time the tooling-up process on rearmament should be well advanced. The inflationary pressures, even with a much more liberal and active immigration policy for Canada, will continue strongly over the next few years," he feels.

In the past year there was considerably more activity in the MacNab Account than in the Compton Account as is indicated by accompanying table listing the year's transactions.

The capital gain of the Compton Account in the past year was slightly greater than that of the MacNab Account, but over the six-year period of operation the MacNab Account's gain was considerably higher. The Compton Account has shown the larger increase in annual income. (See six-year comparison table.)

A comparison of the current holdings of the two accounts indicates only three stocks are held by both: Canadian Pacific Railway common, Consolidated Mining & Smelting common, and Powell River Co. common.

A comparison of the present holdings with

(Continued on page 20)

Year's Transactions

COMPTON ACCOUNT

Date	No. Shs. or Par Value	Security	Price $
BOUGHT			
Aug. 29	10	Canada Packers "B"	30
Aug. 30	5	"	30
Aug. 31	15	"	30
Dec. 8	15	Abitibi Paper Com.	40¼
SOLD			
Sept. 1	10	Bell Phone, com.	40¾
Sept. 1	5	Loblaw Groceterias "A"	31¾
Sept. 1	$100	Canada 3%, 1960	102
Sept. 8	$200	Canada 3%, 1962	102¼
Dec. 8	25	Abitibi Paper, pref.	24⅝

MacNAB ACCOUNT

Date	No. Shs. or Par Value	Security	Price $
BOUGHT			
Mar. 31	$1,000	C.P.R. 3½% Conv. bd. 1970	98.50
Apr. 5	75	Home Oil, com.	17⅛
Apr. 6	50	Imperial Oil, com.	24
Apr. 11	$1,000	West. Can. Brew. 5% bd.	100½
Apr. 19	25	Power Corp. of Can. c.	19¾
May 17	$2,000	Canada 2% bonds 1954	99.80
July 14	10	Consol. M. & S., com.	95½
July 14	15	Inter. Nickel, com.	32½
July 14	25	Power Corp. of C., com.	16½
July 14	30	Steel Co. of Can., com.	21½
Oct. 16	$1,000	Can. Sav. B'd 2¾%, 1960	100
Oct. 16	40	Can. Canners, com.	21⅛
SOLD			
Mar. 31	30	Sicks Breweries	21½
Mar. 31	$1,000	C.N.R. 2⅞% bond	99½
Apr. 5	50	Imperial Oil	24
Apr. 11	10	Aluminium Ltd., com.	59
Apr. 11	30	B. C. Power "A"	29½
Apr. 19	50	Fam. Players Corp., com.	15
May 17	10	Bell Telephone com.	40¾
May 17	20	Imperial Oil, com.	26¾
May 17	10	Powell River Co., com.	55¾
May 17	10	Aluminium Ltd. com.	65¾
July 14	$2,000	Canada 2% bond 1954	99.85
July 14	15	Bell Telephone, com.	40½
Aug. 11	20	B. C. Power, Class "A"	30
Aug. 11	50	Power Corp. of Can., c.	19½

Should We Have High-Speed Toll Roads in Canada?

The Financial Post poses the question of turnpikes (or toll roads) at a time when Canada's population, cities and industrial areas are expanding faster than ever before. While The Post makes no special brief for the building of turnpikes in Canada, in the following article the purpose and operation of the turnpike are discussed.

Here's How Penn Turnpike Was Financed, Now Operates

Step into your car at Toronto—drive out to the super-highway—put your foot down hard on the gas and hold it there. In under three-and-a-half hours you are in Windsor. Fantastic? Not if the proposed Toronto-Windsor super-highway were a turnpike.

On such a highway you could sail along all the way at a comfortable 70 mph. There would be no crossings, lights, corners, bridges or city traffic to worry about—just smooth concrete highway with gentle curves and easy slopes.

Would you be willing to pay $1.50 to be able to drive say, to Windsor without effort in under 3½ hours? According to the 10 years operating experience of the Pennsylvania Turnpike motorists, truck companies and bus companies are more than willing to pay toll charges to save time and money on such long distance runs.

Cost of such a turnpike highway, if you've begun to think about it, would appear staggering if it had to be built by the Dept. of Highways. But the taxpayer doesn't need to foot the bill.

The Commonwealth of Pennsylvania Turnpike indicates that such a project can be financed privately and put on a pay-as-you-drive basis at one cent a mile, making the cost of the highway self-liquidating.

The Penn Toll Road

The $70 million Pennsylvania Turnpike — America's pioneer tunnel super-highway — stretches for 163 miles through the Appalachian Mountains linking Harrisburg, the state capital, with the great Pittsburgh industrial area.

Slicing off 50 very hilly miles between Harrisburg and Pittsburg, the all-weather route has smooth sailing through the mountain barrier that exists between the Atlantic Seaboard and the Middle West.

Finished in 1940, it is now being incorporated into a larger highway known as the Pennsylvania Turnpike System. Extending the highway at both ends, the 327-mile system will make possible a nonstop trip practically across the entire State of Pennsylvania.

Starting 18 miles south of Youngstown, Ohio, at the western end, it will skirt the congested city of Pittsburg, tunnel through the Appalachians and end in the outskirts of Philadelphia.

The eastern extension will be in full operation this year and the western extension skirting Pittsburg to Petersburg is scheduled for operation next year.

The highway itself is by no means just another expensive road. It is the last word in planning, surfacing and engineering.

Built over a minimum 200-ft. right of way it is graded 78-ft. wide in the open with a 10-ft. shoulder on either side of the roadway. Throughout its length the highway consists of dual-lane roadways of 24-ft. width separated by a 10-ft. boulevard. Only in the tunnels is the roadway section reduced to two lanes.

The turnpike pierces the mountains with seven miles of tunnel consisting of seven tunnels all of which are well lighted and ventilated. The approaches to them are well marked in advance, giving ample opportunity for traffic traveling in two lanes to merge into one with little or no interference.

To lessen driving strain and engine wear, the maximum grade is 3%, as compared with 8% or 10% over the other highways over the mountains, and the curves are long and sweeping.

Because no other highway is permitted to cross the turnpike at the same level, 160 overpasses and underpasses were built to carry cross-roads over or under the highway. However, to provide access to and from the main intersecting highways there are clover-leaf interchanges on the existing Pennsylvania Turnpike.

To span rivers and streams along the way 130 bridges were required ranging from 6-ft conduits to a 600-ft. viaduct.

How They Save Money

The final judges of the highway are the users. How have the thousands of motorists and trucking companies found the turnpike?

Seventy trucking companies interviewed by the Commission's traffic engineers agreed that substantial monetary savings have resulted from the use of the turnpike for the following reasons:

Safe operation at higher speeds in all kinds of weather.

Reduced fuel cost.

Reduced tire cost (because of lower grades and reduced breaking effort).

Reduced maintenance cost (because of lower grades and reduced curves with resulting lessening of strain on transmission, brakes and engine).

Utilization of lower-power trucks for the same pay load and of increased pay-load for present size of unit.

Saving of time ranging from two to eight hours per trip in running time; quite an item when the wages of a driver and helper are considered, not including the fuel saving (steady speeds, no steep grades, etc.).

Reduction of accidents with corresponding saving in insurance rates.

Toll charges on the existing turnpike except on a contract basis are: (one way trips) passenger cars $1.50; trucks from $1.50 to $10 depending upon gross weight; buses, 13 passengers and over $6, up to and including 12 passengers $3. Toll rates for the turnpike system which includes the two highway extensions will be approximately double the above charges.

Charges for heavy carriers between clover leaf interchanges are prorated on a mileage basis of about one cent per mile.

Construction of the highway was commenced in 1938 and was opened to traffic Oct. 1, 1940. Grants totaling $29,250,000 were received from the United States Government to provide a portion of the $70 million cost.

The balance of the funds required to complete the construction was raised by the sale of turnpike revenue bonds.

Operation so far has provided payment of total annual principal and interest from earnings. Further financing has been carried out by successive bond issues.

There have been issued and are now outstanding a total of $134 million turnpike revenue refunding and extension bonds dated June 1, 1948, consisting of: $87 million 3¼% term bonds due June 1, 1951, for the construction of the Philadelphia extension of the present turnpike; $47 million 2½% serial bonds, the proceeds of which are held for the redemption of the $45,086,000 turnpike revenue refunding 2½% bonds dated Dec. 1, 1946. These will be redeemed Dec. 1 of this year at 104% of the principal amount and accrued interest to Dec. 1.

How has the highway been doing from a financial standpoint? Well, except for the period of gas rationing during World War II and the resultant decline in traffic and revenues, both traffic and revenues have shown a steady increase since August, 1945. (See accompanying table.)

Although operating and maintenance costs have skyrocketed over the years because of increased costs in labor and materials, the year ending May 31, 1949, showed a balance of $4,747,681 after payment of operating and maintenance costs and payments into the insurance and replacement reserve funds had been made.

Traffic in the year ending August, 1949, showed a total of 3,685,784 vehicles gave a revenue from tolls of $6,130,604. This, combined with a profitable income from leases and rentals of which over 70% comes from tenants' sale of gasoline and oil, gives a total operating income for the year of $6,501,038. The estimated total for the calendar year 1950 is $7,570,000, showing the steady annual increase.

Earnings Ratio

The predicted success of the scheme as a commercial proposition is seen in the estimated coverage of principal and interest requirements for this year.

With an estimated net revenue for this year of $5,845,000 and a total annual principal and interest charge of $1,057,500 for the year the estimated coverage is 5.52 (the number of times principal and interest requirements can be covered by net revenue).

All estimated figures are, of course, made on the assumption that present "peacetime" economic conditions will prevail. These conditions include a national economy of full production without rationing or restrictive controls.

Upon retirement of its debt the Turnpike System reverts to the state. On the topic of debt, the state commission of the Pennsylvania General Assembly has said, "The turnpike bonds are not a direct obligation of the Commonwealth. Nevertheless there seems to be a moral obligation which, in case of default, could not be ignored. These bonds, however, to date have been self-liquidating and presumably will be redeemed without recourse to the Commonwealth."

A steady increase in popularity is the answer to those who feel that motorists would shy away from driving on a highway on which they have to pay toll charges. As an example cost-conscious officials point to the 1949 traffic report.

That year showed a 17% increase in total traffic for 1948 above the 1947 figure for the turnpike. The increase on state highways however for the same period was nearly 10% less at 7.7%.

Aids Planners

Immediate financial savings to truck companies and trouble-free driving to the motorist are not the only advantages of a turnpike system. Such a system can play a major role in town and country planning, declare turnpike advocates.

The skirting of a city by the highway to avoid the congestion of local vehicle movements allows through traffic to proceed without slowdown. At the same time, if such a city is joined to the highway by a large modern parkway from the downtown area, traffic conditions soon improve in the city.

Once a good system of fast road communications has been established there is no longer need for the hodge-podge city crowding of industrial and suburban areas often built on a pre-automobile age network of streets.

Present traffic bottlenecks can be considerably eased if industry and residential areas—once serviced by streamlined roads—can grow up in the country.

Such decentralization of living and industry not only affords a healthier and more efficient economy when fed by fast highways, according to planning engineers, but presents an excellent picture from the defense viewpoint.

Aside from lending impetus to decentralization (an all-important defense plan in the event of atomic war), the turnpike super-highway can be classified as an essential defense route as was the Pennsylvania Turnpike during World War II.

Similarly such a highway running from Windsor to Montreal and servicing the industrial centres of Detroit, Buffalo, Hamilton, etc., would serve as an artery for speeding essential materials in time of war. The importance of such adequate highway communications when railroads are jammed with traffic or otherwise under stress was seen during last year's railroad strike when Canada's highways became the only system of communications other than airlines and shipping.

Other Toll Highways

The Pennsylvania Turnpike is the forerunner of many similar state toll highways. Right now 17 states are planning, building or have completed their own turnpikes. Highway engineers predict that within the next five years motorists should be able to drive from Maine to Indiana over a single gigantic "dream highway" formed by connecting links between state-built turnpikes.

Is there place for such a highway in Canada? Detractors will point to the now high gasoline taxes demanded from the motorist. Is he willing to pay more for "luxury" travel?

Also the flat topography of most of Canada is very different to the mountainous country of Pennsylvania so the saving to freight line operators would not be so great. However, the time saved by trucks which didn't have to slow down to go through the myriad small towns in, say, Western Ontario might balance the toll cost in Canada.

To counter arguments that short trippers (10 or 20 miles) will want to use the highway and be unwilling to pay toll charges some system of cent-a-mile payments could be worked out. Also the short tripper has the alternative of using existing highways.

The main problem is quantity of traffic. Only a careful survey of traffic movement in the area of proposed location of a super-highway could answer the question, "Is there enough traffic to support a turnpike?"

Maybe there is a future for the turnpike in Canada. Only complaint received from turnpike motorists in the U. S. to date is of their stiff "turnpike ankle." The stiffness is caused by holding the gas pedal down to 70 mph over a period of time.

STATEMENT OF REVENUE AND EXPENSES OF PENN TURNPIKE

Fiscal Years End. May 31	Revenue	Operation & Maintenance Expense	Insur. Fund	Replacement Reserve Fund	Balance
1942	$3,090,852.17	$ 838,715.61	$250,000.00	......	$2,002,136.56
1944	1,785,426.47	780,513.89	......	......	1,004,912.58*
1946	2,905,462.38	779,368.47	......	......	2,126,093.91*
1948	5,182,179.41	1,185,938.63	50,764.51	$216,700.00	3,728,776.27
1949	6,325,404.37	1,334,121.62	43,600.82	200,000.04	4,747,681.89

*Gasoline rationing began March, 1942, and remained in effect until Aug. 15, 1945.

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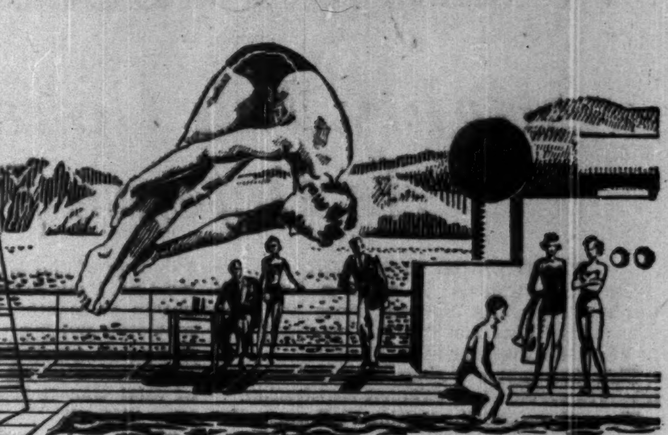

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The above illustration shows a private of the "Royals" in the uniform of 1866. A full colour reproduction, suitable for framing, may be obtained free by writing to:

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Financial Statement
31st December, 1950

ASSETS

Capital Account	
Mortgages, Bonds, Stocks, Cash	$ 3,133,908.82
Guaranteed Trust Account	
Mortgages, Bonds, Cash	1,213,365.69
Total Capital and Guaranteed Assets	$ 4,347,274.51
Estates, Trusts and Agencies	
Cash Securities and other Assets held in Trust	$82,128,649.19

LIABILITIES

Capital Account	
Capital Stock subscribed and fully paid	$ 2,000,000.00
Reserve Fund	1,000,000.00
Reserve for Income Tax	40,000.00
Dividend payable January 2nd, 1951	30,000.00
Balance Carried Forward at Credit of Profit and Loss	63,908.82
	$ 3,133,908.82
Guaranteed Trust Account	
Guaranteed Investment Receipts and Accrued Interest	$ 1,213,365.69
Total Capital and Guaranteed Liabilities	$ 4,347,274.51
Estates, Trusts and Agencies	
Estates, Trusts and Agencies under administration	$82,128,649.19

EXTRACTS FROM THE PRESIDENT'S REPORT:

"Canada has jumped to a major position in this world crisis, and we can be proud of the leadership that she is giving in the councils of the United Nations. She will be an arsenal in the war against Communism, but the greater importance of our position makes us all the more vulnerable to every attack and brings the added responsibility that we must play our part in fullest measure in manpower, in materials, in knowledge and in moral leadership in winning through to a better world."

• • •

"Our thirty-eighth year of business was the busiest and most active year in our history. The steady growth that has characterized the Company's record was maintained, and the total of our assets under administration was

$82,128,649.

an increase of $3,785,000. over the preceding year."

• • •

Trustee Acts

"The time is overdue when our various provincial Trustee Acts should be amended so as to widen the range of securities in which trust funds may be invested."

• • •

Succession Duties

"The time has arrived when the basis for our system of Federal Succession Duties might well be reconsidered, with a view to substituting an Estate Tax for our existing duty on successions. Under an Estate Tax, the levy would be made on the estate, graduated according to its size, but disregarding the amount going to any one beneficiary or the relationship of that person to the deceased. Under an Estate Tax, exemptions would be made for widows and dependents to conform with present similar provisions in our Succession Duty Acts. The Estate Tax would be far simpler to administer and to collect. It would facilitate the planning of estates and would enable a man's wishes in his will to be carried out more readily."

• • •

Pension Trusts

"One of the outstanding developments of the past few years has been the growth of Pension Trusts. Employers and employees have an increasing awareness of the importance of security in old age and one of the great contrasts between this generation and those who have gone before will be that after the age of 65 years there will be independence and well being to an extent never known before. More and more trustee pension plans are being set up. We are equipped to act as trustees for such plans, to handle the investments so as to provide careful administration against the day when they will be needed."

A complete copy of the President's address and the Financial Statement of the Company will be gladly sent upon request.

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FESTIVAL OF BRITAIN

EXHIBITIONS

MAY 3—SEPTEMBER 30

The summer of 1951 will be long remembered by Britons all over the world. Just as the 'Crystal Palace' Exhibition of 1851 was something utterly new and bold in its generation, so Britain now invites you to a Festival the like of which has never been seen before.

Exhibitions will be only one part of the Festival programme, but a spectacular and important part.

IN LONDON the centrepiece of the Festival will be the great South Bank Exhibition on the sweep of the Thames between Westminster Bridge and Waterloo Bridge. Here, amid 30 acres of new buildings and broad terraces, dominated by the giant Dome of Discovery (the largest in the world), visitors will see the story of Britain and her people at work and at play—in industry, transport, the farm; at home and on the seas; in sport, at leisure, and in those boundless fields of exploration and discovery in which British scientists and technicians are helping to build the world of tomorrow.

In a new extension to the Science Museum in South Kensington, the latest advances in scientific discovery—the frontiers of man's present knowledge—will be on display.

In the East end, an Exhibition of Architecture at Poplar will show the community centre of the future in course of construction, using the latest building styles and techniques. There will be an Exhibition of British Books in the Victoria and Albert Museum, South Kensington.

These main London Exhibitions will be open to the public from May 4 to September 30.

IN GLASGOW an Exhibition of Industrial Power at Kelvin Hall will show British achievements in heavy engineering, from the earliest steam engine to the harnessing of atomic energy. This Exhibition will open on May 28 and last for 13 weeks.

IN BELFAST the Ulster Farm and Factory Exhibition, staged in the interior and grounds of a new model factory, will show the growth of the linen industry and of developments in agriculture and other local industries. This will be open from June 1 to August 31.

IN EDINBURGH there will be an extensive Exhibition of Scottish Architecture and Traditional Crafts, during June and July.

• • • • •

In addition there will be Exhibitions of British Books and Literature in Edinburgh and Glasgow, and Exhibitions of painting in Cardiff and Norwich.

But Exhibitions are not the whole of the Festival. There will also be Arts Festivals in twenty-three famous towns, and local activities ranging from carnivals to sporting events in hundreds of communities, throughout England, Scotland, Wales and Northern Ireland.

BRITAIN AT HOME TO THE WORLD

Ask your Travel Agent for further details

64

Money Supply Sets Record Sharp Increase In Year

Canada's money supply on Oct. 31, was at the new high of $4,925 millions, the latest Statistical Summary of the Bank of Canada estimates. This figure exceeded the previous high level of $4,919 millions reached in September and was $548 millions above the previous year.

For months the trend has been upward (The Financial Post, Sept. 30, July 29, May 13,) and with it have moved wholesale prices.

The money supply is composed of currency in the hands of the public and active bank deposits and certain deposits in the Bank of Canada, excluding Government of Canada, chartered bank and foreign currency deposits.

Apart from currency (Bank of Canada notes and metal coins) the big items in the money supply are the demand deposits in the chartered banks and the active savings deposits. The Bank of Canada after a survey of the movement of savings deposits estimated that of total savings deposits, about five sixths are static: they are not withdrawn and used as money. Consequently only one sixth of the total should be regarded as money.

How then does the money supply compare with other factors, say in September, 1946, before the big rise seems to have started?

Here's how the money supply, index of industrial production and wholesale price index as at Sept. 30, compare.

	Money Supply†	Index of Indus. Prodn.	Wholesale Price Index
1939	1,370	111.8	78.4
1940	1,563	134.5	83.0
1941	1,901	163.8	93.3
1942	2,349	186.5	95.8
1943	2,726	197.6	101.1
1944	3,153	195.4	102.3
1945	3,514	161.0	103.3
1946	4,003	152.1	109.2
1947	3,823	175.3	134.0
1948	4,153	184.1	158.4
1949	4,369	183.5	155.4
1950	4,919	200.4	173.6

†From 1946 money supply figures are as at Sept. 30. Previous years' figures as at Dec. 31. Millions of dollars.

CHANGES SINCE 1946

	1950	1946	Chge. %
Money supply†	4,919	4,003	+22.88
Indus. prodn. index	200.4	152.1	+31.75
W'sale price index	173.6	109.2	+58.97

†Millions of dollars.

These figures show that in four years, while the money supply has increased 22.88%, industrial production has risen 31.75% and wholesale prices have increased 58.97%.

Normally, increase in the money supply with insufficient or inadequate supplies of goods is a perfect setting for inflation. But the figures show that while the supply of money has increased, in the years since 1946 industrial production has increased more rapidly, and wholesale prices have increased far more rapidly than either.

What are the factors affecting the present situation? Why have prices risen more than either the money supply or the production index?

One thing is that a large part of the increase in the money supply for the years 1946 to 1950 took place in the last year of the period.

Thus of the total increase of $916 millions in the money supply $550 millions or 60% occurred in 1949-50. Of a total rise of 48.3 points in the period, in the industrial production index, about 12 points or almost 25% occurred in the last year, while of total rise of 64.4 points in the price index the advance in the 1949-50 period was 18.2 points or 28.26%. Thus the rise in the money supply in the last year has been considerably larger than in either of the other two factors named, indicating possible pressure on the price level from that source.

In certain quarters, stockpiling of various kinds of goods in the expectation of higher prices has undoubtedly been a factor in money demand. This practice has been reported in various types of commodities and even in motor cars, and has caused a psuedo shortage in some cases, it is believed tending to bring about higher prices. In some bank quarters this policy of building up reserve stocks (actually hoarding) is mentioned as a possible factor in swelling bank loans, as the transactions involved require more bank credit. This in turn tends to swell the supply of money, and when distributed in higher wages, etc., makes it easier for those holding for greater profits to get their price.

Thus, in some quarters the increase in money volume plus artificial shortages in some cases are regarded as factors tending to produce inflation. Here are comparable figures on money supply.

	1950	1949	1948	1947
	(Millions of $)			
January	4,386	4,162	3,818	3,783
February	4,413	4,091	3,894	3,743
March	4,446	4,141	3,933	3,673
April	4,483	4,232	4,052	3,859
May	4,479	4,155	3,970	3,777
June	4,525	4,187	4,030	3,842
July	4,549	4,173	4,002	3,818
August	4,678	4,188	4,048	3,810
September	4,919	4,369	4,153	3,823
October	4,925	4,377	4,208	3,927
November	....	4,376	4,327	3,865
December	....	4,422	4,335	3,944

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

CANADIAN BREWERIES LTD. net profit for the year ended Oct. 31, 1950 amounted to $5,068,342, down 24.3% from the previous year's $6,688,835. Sales during the year totalled $100,374,419, up $5.3 million from the previous year's $95,052,765.

Profit margins were substantially reduced owing to increases during the year in uncontrollable expenses, Chairman E. P. Taylor states. Increases occurred in malt, wages, carton, freight and other distribution charges.

Most important capital addition during the year was construction of a new bottle-shop and shipping building for the Simcoe St. plant in Toronto which has enabled the company to effect considerable cost savings. New laboratories for Canadian Breweries and Victory Mills Research Departments are under construction and expected to be completed in late spring.

In Canada, effect on volume of an additional 5c per pound in malt excise tax was, as yet, uncertain. In the U. S., subsidiary sales are running 50% ahead of 1949, having shown a progressive improvement for 12 months. There is every reason to expect this improvement to continue, Mr. Taylor says.

The company held over 94% of the outstanding common shares of Premium Malting Co. at Oct. 31, 1950.

CONS. INCOME ACCOUNT

Years Ended Oct. 31:	1950	1949
	$	$
Net sales	100,374,419	95,052,765
Less: Govt. sls. tax	29,500,865	28,513,369
Cost of goods	33,549,690	29,899,239
Sell. & adm. exp.	24,035,063	22,228,068
Net earnings	13,288,801	14,412,089
Add: Dividends	256,390	144,097
Misc. inc.	544,138	355,120
Less: Deprec.	3,626,727	3,676,079
Deb. & note int.	637,116	655,792
Other int.	107,435	95,248
Exp. re idle plant, etc.	65,270	10,196
Net loss, invest. & f.a. sale	334,744	......
Amort. sh. prem.	152,375	157,450
Taxes	4,554,000	3,930,000
Min. interest	▲456,680	▲302,294
Net profit	5,068,342	6,688,835
Less: Com. divds.	4,400,000	4,400,000
Surplus for year	668,342	2,288,835

▲Credit.

Times All Interest Earned:		
Before depr.	18.92	19.85
After depr.	14.05	14.96
Earnings per Share and Dividend Record:		
Common	$2.30	$3.04
Paid	2.00	2.00

CONDENSED CONS. BALANCE SHEET

As at Oct. 31:	1950	1949
Cash	$1,812,224	$3,704,238
Investments†	1,293,746	282,652
Accts. rec.	3,273,876	3,606,837
Inventories	11,863,011	12,507,046
Total curr. assets	18,242,857	20,100,773
Prepaid expenses§	572,635	543,597
Misc. assets•	520,107	1,134,878
Invest. allied cos.‡	284,811	1,229,904
Inv. in Dom. Malt.	2,105,238	2,087,310
Sundry invests.	2,715,782	2,485,672
Sundry props.	1,409,529	1,090,283
Prem. on subs. shs.	3,194,422	3,349,194
Fixed assets*	32,985,150	33,505,993
Total assets	62,030,531	65,527,694
Accts. pay.	4,107,760	6,198,158
Taxes pay.	2,564,132	2,848,653
Total curr. liab.	6,671,892	9,046,811
Note pay. (sec.)	3,660,000	4,510,000
Funded debt	13,250,000	14,000,000
Reserves	710,358	435,090
Min. int. in subsid.	717,187	1,183,041
Capital stock	20,451,123	20,451,123
Capital surplus	1,726,565	1,726,565
Distrib. surplus♦	14,843,406	14,175,064
*After depr. of	16,125,804	12,962,352
†Market value	1,305,000	302,883
‡Market value	285,000	945,126
•Incl. ref. EPT	143,290	665,000

§Shown in current assets in co's report.

♦In 1949, includes $913,703, representing company's share of profits of American subs. since acquisition to Oct. 31, 1949, and in 1949 and 1950 includes $1,425,126 paid-in surplus from stock issued in 1933 and 1934.

Working capital	11,570,965	11,053,962

TOWN OF DUNDAS $23,556 issue 3¼% serial debentures due 1952-66 sold to R. A. Daly & Co. at 98.205. Proceeds for sewer and watermain construction.

T. GORDON DALGLISH

appointed vice-president and secretary-treasurer of Harry E. Foster Advertising (Toronto).

Staff Changes

Chartered banks announce the following staff changes.

Nova Scotia:

G. J. TOUCHIE, to be senior assistant manager, Toronto.

A. BLACKBURN, to be manager, Port Carling, Ont.

• • •

Toronto:

S. G. PAGE, manager, Stratford, Ont., to be manager, Welland, Ont., succeeding J. E. Curry, retiring.

G. F. H. McCORMICK, accountant, Montreal main office, to be an assistant manager, that branch.

W. G. GRIMBLE, an assistant accountant, Montreal main office, to be accountant, that office.

H. J. BOYLE, accountant, Neilburg, Sask., to be accountant, St. Boniface, Man.

A. W. McGILL, attached to chief accountants dept., at head office, to be accountant, Dundas and Roncesvalles, Toronto.

R. H. WOODWARD, accountant, Dundas and Roncesvalles, Toronto, to be attached to the accountants department, Montreal main office.

• • •

Commerce:

A. H. DAWSON, to be assistant accountant, New Westminster, B.C.

A. C. JENKINS, manager, Joyce Road and Kingsway, Vancouver, to be manager, Trail, B.C.

F. PETRIE, an assistant accountant, Vancouver, to be supervisor of securities, Vancouver.

G. L. MORTIMER-LAMB, assistant accountant, New Westminster, B.C., to be an assistant accountant, Vancouver.

D. CAVAYE, formerly manager, White Horse, to be manager, Joyce Road and Kingsway, Vancouver.

E. C. WATSON, an audit officer in dept. of the Superintendent of British Columbia Branches, Vancouver, to be an assistant inspector, in same department.

O. J. BURBRIDGE, to be an audit officer, dept., Superintendent of British Columbia Branches.

A. E. SALTER, manager, South Edmonton, Alta., to be manager, securities department, Calgary.

O. BLAKELY, accountant, Nanton, Alta., to be accountant, Calgary.

D. E. GRAY, to be assistant manager, Eighth Ave. West, Calgary.

G. J. LEE, accountant, St. Paul, Alta., to be accountant, First St. West, Calgary.

K. J. WOLSTENHOLME, accountant, Calgary, to be assistant manager, Lethbridge, Alta.

J. A. LEES, to be accountant, Nanton, Alta.

D. S. HALIBURTON, assistant manager, Eighth Avenue West, Calgary, to be manager, South Edmonton, Alta.

D. E. Nash, to be accountant, St. Paul, Alta.

F. A. FORREST, to be assistant accountant, Weston, Ont.

• • •

Nova Scotia:

W. G. HENDERSON, to be manager, Winnipeg.

R. B. HALL, to be an assistant supervisor, general office, Toronto.

E. H. McATEER, to be an assistant supervisor, investments, at general office.

G. W. CHALKLIN, to be assistant manager, King & Victoria, Toronto.

W. C. H. PATTIE, to be accountant, King & Victoria, Toronto.

C. A. RAFUSE, to be assistant accountant, Halifax, N.S.

Bank of Toronto Plans New Branch at Quebec

Plans of the Bank of Toronto include opening of two new branches at Quebec City and Orillia, Ont., L. G. Gillett stated at the annual meeting this week. Total branches now are 224.

KEYBOYCON MINES reports that by agreement of Dec. 2, 1950, with Wilson River Mining Syndicate, four unpatented mining claims in Dasserat Twp., Que., were purchased for a consideration of $10,000 and 100,000 shares of stock of which 10,000 shares free and balance is to be released at the rate of 10,000 shares a month for nine months. Issued capital is 1,979,505 shares, leaving 1,020,495 shares in treasury.

H. J. COON

North American Life has announced that H. J. Coon has become a Director of the Company. Mr. Coon is also a Director of E. B. Eddy, Company, Western Grocers Ltd., and Blue Ribbon Corp., Ltd. *

The Wawanesa Mutual Insurance Company

ORGANIZED IN 1896

Admitted Assets	$11,065,614.13
Surplus	4,033,971.64
Dom. Govt. Deposit	3,774,563.39

Write for Financial Statement

Head Office WAWANESA Man. | Eastern Office TORONTO Ont.

Branches at Vancouver, Saskatoon, Winnipeg and Montreal

Continues PPF In Flood Area

Royal-Liverpool Insurance Group Still Sells Cover at Winnipeg

From Our Own Correspondent

WINNIPEG — Different groups of insurance companies are taking different views on Greater Winnipeg flood risks, in personal property floater policies. One or two large companies have announced cancellation of flood coverage (The Financial Post, Jan. 13.)

Last week the Royal-Liverpool Insurance group announced it was continuing to solicit new personal property floater applications in flood areas.

"We will demonstrate our faith in Winnipeg" an advertisement in the daily press said, "by continuing to cover the flood peril under our existing personal property floater policies, including renewals, without discrimination".

The group includes the Royal Insurance Co., Hudson Bay Insurance Co., The Liverpool and London and Globe Insurance Co., the Globe Indemnity Co. of Canada, and the Liverpool-Manitoba Assurance Co.

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R. L. DALES K. S. RUSSELL W. G. HENDERSON

ROBERT L. DALES, a supervisor of Bank of Nova Scotia branches in Western Canada, with headquarters in Winnipeg, has been named an assistant general manager of the bank. He will be succeeded in Winnipeg by KENNETH S. RUSSELL, who has been manager of the bank's main office there for the past five and a half years. The post of manager of the main office will be taken over by WILLIAM G. HENDERSON, who has been the senior assistant supervisor of branches there since 1948.

Mr. Dales, who is a banker of long and wide experience, has served with the bank in Eastern and Western Canada. Appointed assistant manager of the Winnipeg main office in 1930, he later took charge of the Calgary West End branch and then the main branch in Calgary. From 1944 to 1946, he was manager of the main office in Toronto. In 1946 he was appointed a supervisor with headquarters at Saint John and two years later went to Winnipeg as supervisor.

A banker of wide experience in Jamaica as well as in Canada for over 44 years, Mr. Russell went to Winnipeg from St. John's, Nfld. Before going to St. John's he had been in charge of the branches at Bank and Gloucester in Ottawa and the office at Renfrew, Ontario. Mr. Russell's successor in Winnipeg, Mr. Henderson, has been with The Bank of Nova Scotia since 1913. Before going to Winnipeg he had been in charge of the bank's office at Regina and had previously been in charge of a number of branches in Eastern Canada. *

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VETERAN PILOTS... TCA crews possess an unsurpassed skill and experience in all-year-round flying. 95 pilots have flown over a million miles each with TCA.

POWER... TCA Skyliners have the power and range that enable them to choose and fly routes where conditions are best.

FAST, FREQUENT FLIGHTS... Making over 100 scheduled flights a day, TCA Skyliners are flying over 20 million miles a year. Last year more than 685,000 passengers flew with TCA.

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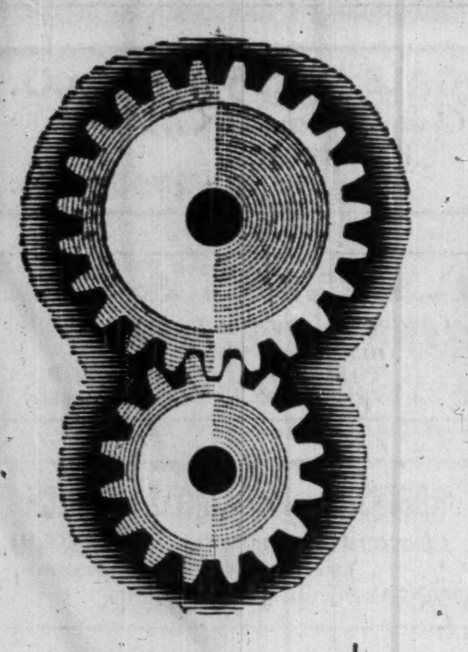

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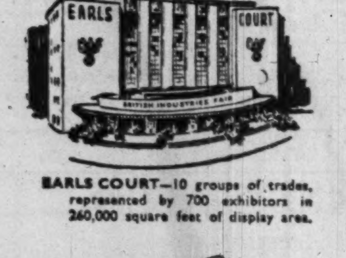
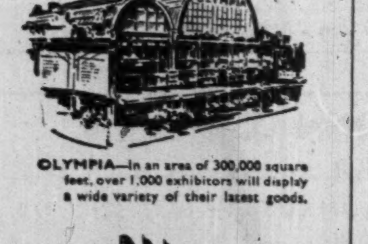
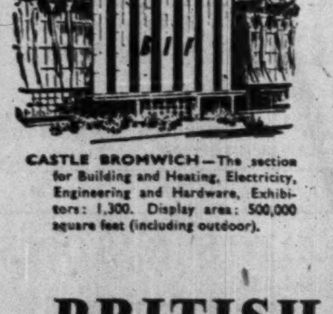


EARLS COURT—10 groups of trades, represented by 700 exhibitors in 260,000 square feet of display area.



OLYMPIA—In an area of 300,000 square feet, over 1,000 exhibitors will display a wide variety of their latest goods.



CASTLE BROMWICH—The section for Building and Heating, Electricity, Engineering and Hardware, Exhibitors: 1,300. Display area: 500,000 square feet (including outdoor).

BIGGER AND BETTER

A hundred years have passed since Queen Victoria opened in London the first 'Great Exhibition' and revealed to the world the manifold ways in which British enterprise and skill were pioneering to increase the ease and interest of life. For some time past, we have been planning to celebrate this anniversary by a Festival in which every aspect of British life will be on display. In particular, we are making the 1951 British Industries Fair an occasion for the world to see the full extent of our recovery and our resources. We can promise that the B. I. F., like British Industry itself, will be bigger and better than ever. Over three thousand exhibitors from a hundred trade groups will put their latest and finest products on show.

Few enterprising buyers will miss this unparalleled opportunity of seeing what Britain has now to offer. Thousands have made early arrangements for their visit, so please make your reservations without delay.

BRITISH INDUSTRIES FAIR

LONDON APRIL 30–MAY 11 BIRMINGHAM

INFORMATION about exhibitors, advance catalogues, special displays and facilities at the Fair can be obtained from the United Kingdom Trade Commissioner at Ottawa, Montreal, Toronto, Vancouver or Winnipeg; or from the Imperial Trade Correspondent at St. John's or Halifax

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PROVINCIAL ROUNDUP
This regular feature supplies pithy provincial news of importance to all businessmen. Good background material for your trips and correspondence.
THE FINANCIAL POST—$6 A YEAR

Two Investment Success Stories

(Continued from page 17)

the original holdings indicates MacNab holds an investment in only two of the stocks he had originally namely CPR common and Consolidated Mining & Smelting common.

Compton holds an investment in four stocks which he had originally: Canada & Dominion Sugar common, CPR common, Hiram Walker-Gooderham & Worts common and Simpsons Class A.

For the first four years of operation an amount of $300 a year was taken from the income of each account for safekeeping charges on securities, payment of investment management fees and for the owner's personal use. Due to the increase in income in the accounts, it was agreed at the beginning of the fifth year that the withdrawal should be increased. Consequently, for the last two years Compton has withdrawn $665 a year and MacNab $500 a year. The difference between the account's actual income and these amounts was retained in the account and so accounts for part of the increased value.

The two investment managers, who remain anonymous, were carefully selected because of their high standing in the investment community, for their proved integrity and training. They recommend buying and selling just as if they were operating actual portfolios for clients. For such recommendations, however, The Financial Post assumes no responsibility.

A sound investment program has to be as carefully tailored to the needs and circumstances of an individual as a suit of clothes. Hence, the two hypothetical owners of the accounts, Compton and MacNab, were carefully defined six years ago as follows:

Compton was 38, married, with two children, no dependent relatives. His objective was about 50-50 between income and capital appreciations.

MacNab was 57, married, with his wife as his only dependent. His objective was maximum income consistent with safety of capital.

One question asked The Post is whether some of the transactions might not be made as a result of hindsight. This is not possible. Compton's manager operates on the policy of buying and selling at certain prices, which he keeps on record at The Post and which he may change by prior notice. His transactions go through automatically when the market price of any stock coincides with his prices.

MacNab's manager advises The Post of any transaction the day he makes it. For obvious mechanical reasons The Post may not be able to report the transaction with the manager's reasons for it until a week or more later.

The individual recommendations for purchase or sale of any stock do not, and should not, be interpreted as indicating the wisdom of any individual taking similar action. What is wise for one individual in certain economic circumstances and with a certain list of securities may be entirely unwise for another in different circumstances and with a different portfolio.

The purpose of Managed Investment is to illustrate, by actual example, the principles of sound investing based on experience, knowledge and constant attention.

Then and Now in the Two Accounts

The Compton Account

Originally Held

No. of Shares	Security	Cost per Sh. $
	Merchandising	
20	Dominion Stores common	12½
5	Simpsons Ltd. A common	40
	Foods	
10	Can. & Dom. Sugar com.	22
10	Silverwood's Dairies com.	14
25	Candn. Canners 2nd pfd.	17
	Beverages	
10	H. Walker-G. & W. com.	66
	Steel	
50	Algoma Steel common	12
25	Dom. Steel & Coal B com.	7¾
10	Ford Motor of Can. A com.	25½
10	Dominion Bridge com.	30
	Oils	
100	Calgary & Edmonton com.	1¾
	Fuel, Power and Light	
20	Brazilian Tr. L. & P. com.	22¼
20	Montreal L. H. & P. com.	20
5	Consumers' Gas common	140
	Pulp and Paper	
50	Consol. Paper, common	8
25	St. Law. Corp. A pref.	20
	Milling	
20	Maple Leaf Milling com.	8½
	Railway	
25	Can. Pac. Railway com.	12
	General	
5	Goodyear Tire & Rubber com.	95½
25	International Nickel com.	31
	Mining	
10	Noranda Mines	56
20	Lake Shore Mines	17
100	Madsen Red Lake Mines	2¼
100	Malartic Gold Fields	3½
100	Steep Rock Mines	2¾
Cash		$663.75
Total value		$10,000.00
Prospective annual income		$393.75

Now Stands

No. of Shares		Cost per sh. $	*Market per sh. $
	Common Stocks		
25	Abitibi	23	40
5	Aluminium Ltd.	49¼	89¼
10	Building Prod.	28⅞	31
10	Can. & Dom. Sugar	22	20
30	Can. Packers B	30¼	35
5	Can. Celanese	26¼	47¾
5	Can. Industries	19¾	30
10	Can. Pacific Rlwy.	13¼	22⅛
25	Cockshutt Plow	12⅛	21
20	Consol. Litho.	17¼	30
5	Consol. Smelters	85	121¾
25	Gypsum, Lime & A.	15⅜	21
15	John Labatt	20	16½
20	Montreal Locomotive	18	15¾
15	Nat. Steel Car	19¾	27½
10	Powell River	43¾	60½
20	Simpsons A	26½	35
20	Walker-Gooderham	26¾	52½
	Preferred Stocks		
30	Can. Wire. Box A	23¾	26
25	Eddy Paper Co. A $1	22	18⅛
5	Dom. Glass	35⅛	34½
50	McCabe Grain A	11	10¼
25	Riverside Silk A	32½	28
10	Nat. Breweries	42⅛	37
30	D. Stuart Oil	16¼	18
120	York Knit. Mills A	7¾	6¼
	Mining Stocks		
100	Teck-Hughes	3.90	2.07
5	McIntyre	64⅛	51
15	Kerr-Addison	16¼	15⅛
10	Hudson Bay	45¾	53¼
	Bonds		
$1,100	Can., 3% 1959/62	100.98	101⅛
Cash			$254.27
Curr. Market Value of Fund			$16,114.58
Prospective Annual Income			$983.45
Aver. Yield on Original $10,000			9.83%

*Bid price Dec. 15, 1950.

The MacNab Account

Originally Held

No. of Shares	Security	Cost per Sh.
	Group 1—Investment and Semispeculative Stocks:	
	Industrials	
10	Cons. M. & S. Co. of Can.	50
25	Laura Secord Candy Co.	16
15	Distillers Corp.-Seagrams Ltd.	39
8	Canada Malting Co.	50
14	National Grocers Co.	12½
5	Bell Telephone Co. of Can.	160
5	Moore Corp.	57
20	Building Products	19
10	B. C. Power class A	19½
15	Asbestos Corp.	21
10	B. C. Packers	24¼
	Mines	
25	Hollinger	10
20	Bralorne Mines	14½
	Group 2—Speculative Stocks:	
	Industrials	
10	Massey-Harris Co. $1.25 pfd.	21½
10	Abitibi Pwr. & Pap. 6% pref.	51
10	Winnipeg Electric 5% pfd.	66½
10	Federal Grain Co. 6½% pfd.	60
20	Fraser Cos. common	25
25	Candn. Car & Fdry. com.	10
25	Candn. Pac. Rlwy. com.	12
50	Dairy Corp. common	7
	Mines and Oils	
100	MacLeod-Cockshutt Gold	2¾
20	Ventures Ltd.	10½
100	Waite Amulet	4¾
200	Anglo-Canadian Oils	¾
Cash		$682.50
Total value		$10,000.00
Prospective annual income		$513.72

Now Stands

No. of Shares		Cost per sh. $	*Market per sh. $
	Common Stocks		
40	Can. Canners	21⅛	23⅝
75	CPR	15¼	22½
10	Consol. M. & S.	95½	125¼
75	Home Oil	13⅛	13⅝
30	Imperial Oil	17¼	26¾
40	Inter. Nickel	33¼	38¼
50	Inter. Utilities	21½	22
10	Noranda	49	69
5	Powell River	37	60½
30	Steel Co. of Can.	21½	28¾
	Preferred Stocks		
25	Acadia Atlan. Sugar A	24¼	23
	Bonds		
$2,000	Can. Sav. 2¾% 1956	100.00	100.00
$1,000	Can. Sav. 2¾% 1957	100.00	100.00
$1,000	Can. Sav. 2¾% 1958	100.00	100.00
$1,000	Can. Sav. 2¾% 1959	100.00	100.00
$1,000	Can. Sav. 2¾% 1960	100.00	100.00
$1,000	Anglo-Can. Oil 4% '64	100.00	105.00
$1,000	CPR 3⅛% 1970	98.50	105.25
$1,000	West. Can. Brew. 5%	100.50	98.00
Cash			$188.83
Current market value of fund			$20,046.44
Annual income			$880.75
Average yield on original $10,000			8.81%

*As at Dec. 15, 1950.

C.C.C. Contract Awards

CANADIAN COMMERCIAL CORPORATION

Contractors awarded business in excess of $5,000 during period Dec. 18 to 30, 1950.

Abercorn Aero Ltd., Montreal; aircraft spares	$ 26,632
Acme Glove Works Ltd., Montreal; mitts and gloves	61,226
Ahearn & Soper Co., Ottawa; electrical and communication eqpt.	79,040
Atlantic Acadia Sugar Sales, Halifax; food	5,436
Aviation Electric Ltd., Montreal; aircraft spares	398,898
Aviquipe of Can. Ltd., Montreal; aircraft instruments	7,238
Ayerst McKenna & Harrison Ltd., Montreal; drugs	11,264
Bates & Innes Ltd., Carleton Place, Ont.; blankets	145,707
Becker, W. C. Eqpt. Co., Toronto; automotive accessories	95,772
Blakeslee, G. S. & Co., Toronto; household appliances	11,318
Blue Ribbon Bedding Co. of Can., Montreal; hospital mattresses	29,560
Boulet, G. A. Ltd., St. Tite, Que.; footwear	78,741
Bourque, E. A. Ltd., Ottawa; fuel	14,130
Br. American Oil Co., Toronto; petroleum products	16,200
Brennan Paving Co., Hamilton; road repairs	10,484
Bridge Machinery Co., Montreal; steel bins	14,428
Brockville Co-op. Assoc., Brockville, Ont. food	10,778
Brodie Brush Co., Vancouver; hair brushes	11,886
Bruck Mills Ltd., Montreal; nylon cloth	10,244
Brush Can. Ltd., Toronto; diesel plant	309,287
Burns & Co., Ottawa; food	10,352
Burns & Co. Ltd., Winnipeg; food	6,205
Burroughs Wellcome & Co., Montreal; drugs	8,400
Can. & Dom. Sugar Co., Chatham, Ont.; food	8,258
Can. Packers Ltd., Edmonton; food	24,797
Can. Packers Ltd., Halifax; food	32,293
Can. Packers Ltd., St. Boniface, Man. food	32,563
Can. Packers Ltd., Toronto; food	131,494
Canadair Ltd., Montreal; aircraft spares and instruments	67,774
Cdn. Canners Ltd., Hamilton; food	11,842
Cdn. Erectors, Ltd., Montreal; dismantling water tank	9,900
Cdn. Fairbanks Morse Co., Ottawa; diesel units	192,360
Cdn. Garment Ltd., Winnipeg; clothing	29,240
Cdn. General Tower Co., Galt, Ont.; clothing	35,920
Cdn. General-Electric Co., Ottawa; electrical eqpt.	7,188
Cdn. Import Co., Quebec; fuel	6,432
Cdn. Kodak Sales Ltd., Toronto; phographic supplies	10,131
Cdn. Marconi Co., Montreal; communication supplies	23,931
Cdn. Office & School Furniture, Preston, Ont.; furniture	36,804
Cdn. Pratt & Whitney Aircraft, Longueuil, Que.; aircraft spares	59,786
Claytons Ltd., Halifax; clothing	11,730
Collie Woollen Mills Ltd., Appleton, Ont., cloth	447,741
Consolidated Engines & Machy., Montreal; diesel power plants	539,891
Consolidated Textile Mills, Montreal; cloth	165,095
Consumers Glove Co., Montreal; gloves	14,683
Coop Federee De Quebec, Quebec; food	5,312
Cordage Distributors Ltd., Toronto; ship ropes	17,515
Cotter Bros. Ltd., Winnipeg; plumbing supplies & installation	7,702
Crothers, Geo. W. Ltd., automotive spares	45,206
Darling Brothers Ltd., Montreal; modification of freight elevators	13,125
Davidson, John & Sons Ltd., Montreal; bailey bridging reconditioning	66,400
DeHavilland Aircraft of Can., Toronto; aircraft overhaul & spares	1,318,389
Diamond T Trucks Ltd., Toronto; automotive spares	16,549
Dom. Awning Co., Montreal; kit bags	210,950
Dom. Rubber Co. Ltd., Montreal; footwear	175,965
Dom. Rubber Co., Ottawa; fire hose	6,649
Dom. Sanitary Wiper Co., Montreal; wiping rags	38,500
Dom. Textile Co., Montreal; flannel cloth	153,510
Dunlop Tire & Rubber Goods Co., Toronto; fire hose	6,018
Eastern Woodworkers Ltd., New Glasgow, N.S.; prefabricated huts	143,464
Eaton, T. Co., Toronto; clothing	170,261
Edmonton Produce Co., Edmonton; food	7,863
Electronic Materials Int. Ltd., Ottawa; electronic eqpt.	11,537
Emerson, W. E. & Sons Ltd., Saint John, N.B.; alterations to heating systems	5,100
Estabrooks, T. H. Co., Montreal; food	18,645
Export Packers Ltd., Toronto; food	7,054
Fairbanks Soap Co., Toronto; soap	27,030
Fairey Aviation Co. of Can., Eastern Pass., N.S.; aircraft spares	130,000
Fearman, F. W. Co., Hamilton; food	13,303
Feather Industries Ltd., Toronto; filling material	110,700
Filature St. Charles Enr., St. Charles, Que.; blankets	117,254
First Coop Packers of Ontario, Barrie, Ont.; food	31,707
Ford Motor Co. of Can., Windsor; automotive spares	24,843
Fort Ramsay Industries Ltd., Gaspe, Que.; overalls	10,475
Frost Steel & Wire Co., Hamilton; wire fencing	5,442
Gas Accumulator Co. of Can., Toronto; electrical eqpt.	17,165
General Steel Wares Ltd., Toronto; kitchen utensils	27,836
Gillette Safety Razor Co. Can., Montreal; razors	14,945
Glovers Guild Ltd., St. Anne, Que.; mitts	40,800
Gold Glove Ltd., Prescott, Ont.; gloves	33,638
Goodrich, B. F. Rubber Co. of Can., Kitchener, Ont.; aircraft tires and fire hose	20,573
Goodwin Johnson Ltd., Vancouver; logs	13,500
Goodyear Tire & Rubber Co. Can., Toronto; automotive parts and fire hose	19,515
Granby Elastic Web of Can., Granby, Que.; clothing findings	24,684
Grandmaitre, D., Eastview, Ont.; fuel	7,200
Guaranty Silk Dyeing & Finishing, St. Catharines, Ont.; treatment of cloth	143,640
Gurney, W. H. & Son, Wingham, Ont.; gloves	24,255
Halifax Shipyards Ltd., Dartmouth; docking and ship repairs	13,562
Halifax Shipyards Ltd., Halifax; docking and ship repairs	25,019
Hand, T. W. Fireworks Co., Cooksville, Ont.; ammunition	8,446
Hannan Varnish Co. Ltd., Galt, Ont.; paints	14,598
Hercules Mfg. Co., Winnipeg; overalls	145,254
Hicks, J. H. & Sons Ltd., Bridgetown, N.S.; lumber	12,192
Highland Hill Dairy, Exeter, Ont.; food	6,120
Holden Mfg. Co., Ottawo; clothing and tents	334,189
Humphrey, J. A. & Son Ltd., Moncton, N.B.; cloth	240,000
Hunnisett, Frank Ltd., Toronto; food	26,352
Huntingdon Woollen Mills Ltd., Huntingdon, Que.; cloth	247,500
Ideal Upholstering Co., Montreal; mattresses	14,223
Imperial Oil Ltd., Ottawa; petroleum products	6,274
Ingersoll Body Corp., Ingersoll, Ont.; automotive eqpt.	106,534
Instruments Ltd., Ottawa; instruments	29,625
Int. Electric Co., Montreal; automotive spares	9,692
Irvin Air Chute Ltd., Fort Erie, Ont.; parachutes, harness and parts	984,386
Irving Clothes Ltd., Montreal; clothing	15,000
Johnson & Johnson Ltd., Montreal; drugs	18,500
Jones Tent & Awning Ltd. sleeping bags	67,641
Katchen Bros., Calgary; food	9,455
Kendall Co. Can. Ltd., Toronto; drugs	17,640
Kenwood Mills Ltd., Arnprior, Ont.; blankets	39,878
Kerr, A. M. Eqpt. Ltd., Toronto; automotive spares and repairs	6,881
Kroehler Mfg. Co., Stratford, Ont.; chesterfields and chairs	6,124
Laiterie Fortier Ltd., Levis, Que.; food	6,460
Lakeview Pure Milk Dairy, Barrie, Ont.; food	24,036
Lanigan Lumber Ltd., Halifax; lumber	5,513
Laporte Cartage Co., St. Laurent, Que.; snow removal	9,000
Lawrence, J. W. Can. Ltd., Dorval, Que.; aircraft spares	57,784
Levy Auto Parts Co., Toronto; automotive spares	2,049,574
London Pure Milk Co., London; food	5,608
Lunam Harvey Construction Co., Regina; building repairs	35,000
Lymans Ltd., Montreal; drugs	5,850
Manitoba Dairy & Poultry Co-op., Winnipeg; food	5,906
Manitoba Sugar Co., Winnipeg; food	5,797
Maple Leaf Dairy Ltd., Halifax; food	24,589
Marshalls Co., Toronto; food	11,417
Master Craft Uniform Co. Regd., Quebec; clothing	35,236
McDougall Microfilms Ltd., Ottawa; photographic supplies	14,900
McKenzies Milk Products Ltd., Halifax; food	24,589
Morantz Beef Co., Montreal; food	7,024
Murphy Paint Co. Ltd., Montreal; paints	25,674
Nabob Foods Ltd., Vancouver; food	19,364
North American Bldgs. Ltd., Winnipeg; prefabricated huts	304,567
Northern Electric Co., Ottawa; electrical eqpt.	14,782
Northern Shirt Co., Winnipeg; clothing	9,929
Novelty Pants & Sportswear, Montreal; clothing	8,400
Offrex Can. Ltd., Toronto; insulating tape	6,712
Ontario Hughes Owens Co. Ltd., Ottawa; instruments	168,925
Ottawa Paint Works Ltd., Ottawa; paints	10,131
Paton Mfg. Co., Montreal; cloth	654,545
Peerless Garments Ltd., Winnipeg; clothing	15,000
Peerless Woollen Mills Ltd., New Glasgow, N.S.; cloth	19,450
Pembroke Builders Supplies, Pembroke, Ont.; lumber	5,043
Pleasant View Dairy Ltd., Pembroke; food	19,888
Pleau Maurice Ltd., Loretteville, Que.; gloves	18,563
Plume Can. Feather Inc., Longueuil, Que.; pillows	12,170
Prairie Woollen Mills Ltd., Calgary; blankets	52,650
Prices Dairy, Kingston; food	7,733
Producers Dairy Ltd., Ottawa; food	11,547
Railway & Power Engr. Corp. Ltd., Montreal; aircraft spares & tires	6,636
Reo Motor Co. of Can. Ltd., Toronto; automotive spares	9,212
Restmore Mfg. Co., Vancouver; mattresses	45,900
Ritchie, Gordon M. & Co., Clinton, Ont.; building alterations	112,984
Riverside Silk Mills Ltd., Galt, Ont.; cloth	10,800
Roe, A. V. Can. Ltd., Toronto; aircraft maintenance	900,759
Rogers Montreal Ltd., Montreal; fuel	20,990
Ross Smith Co., Montreal; waterproof covers	11,839
Rossen Lumber & Supply Co., Winnipeg; lumber	6,095
Rudel Machinery Co., Montreal; industrial eqpt.	5,764
Ryder, J. H. Machinery Co., Montreal; industrial and automotive equipment	14,087
Scottish Industries of Can., Hamilton; industrial eqpt.	5,319
Simkins Construction Co., Winnipeg; lumber	8,020
Simmonds Aerocessories of Can., Montreal; aircraft spares	39,578
St. Lawrence Glove Works, Quebec; gloves	22,176
St. Louis Bedding Co., Montreal; mattresses	112,900
Stauffer Dobbie Ltd., Galt, Ont.; towels	5,960
Steel Co. of Can. Ltd., Hamilton; marine parts	6,087
Sterling Fuels, London; petroleum products	14,027
Stewart Bruce & Co., Charlottetown; construction	5,526
Strathcona Garment Mfg. Co., Montreal; clothing	60,329
Strathroy Woollen Mills Ltd., Strathroy, Ont.; blankets	27,404
Swift Cdn. Co. Ltd., Moncton, N.B.; food	47,744
Swift Cdn. Co. Ltd., Montreal; food	6,276
Swift Cdn. Co., Toronto; food	7,999
Terreau & Racine Ltd., Quebec; plumbing eqpt.	9,744
Terry Machinery Co. Ltd., St. Laurent, Que.; repairs to eqpt.	33,245
Thomson Groceries Ltd., Toronto; food	15,133
Tree Surgery Co., Montreal; snow removal	12,000
Trenton Steel Works Ltd., Trenton, N.S.; machinery parts	71,016
Turnbull Elevator Co., Toronto; modification of freight elevators	16,728
Union Milk Ltd., Calgary; food	5,920
United Co-ops of Ontario, Beamsville, Ont.; food	5,779
Upton Bradeen & James Ltd., Montreal; testing eqpt.	18,043
Utility Garments Inc., Montreal; clothing	8,408
Valley City Mfg. Co., Dundas, Ont.; furniture	60,953
Viceroy Mfg. Co., Toronto; gloves	5,930
Waterous Ltd., Edmonton; automotive repairs	6,205
Welch & Johnson Ltd., Ottawa; oilburners	6,516
Weston Bakeries Ltd., Toronto; food	11,081
Wheat City Dairy, Brandon, Man.; food	8,133
White Clothing Co. Ltd., St. John's Nfld.; clothing	12,991
Wilmots Dairy Ltd., Kingston; food	7,733
Woods Mfg. Co., Hull, Que.; clothing and sleeping bags	73,562
Woods, S. E. Ltd., Hull; clothing, tents and sleeping bags	310,948
Yarrows Ltd., Victoria; ship parts	5,980
	$14,916,198
Previously reported	19,073,800
Total to Dec. 30, 1950	$33,989,998

COMPANY REPORTS

CANADA PERMANENT MORTGAGE CORP. net profit for the year ended Dec. 31, 1950, amounted to $838,226, up 9.89% from the previous year's $762,804. At year's end, total assets amounted to $95,069,682 ($89,012,694 in 1949).

Investments in mortgages at $62,971,068 were substantially higher than the previous year ($55,939,273). Debentures payable in Canada totalled $37,231,135 ($33,942,786) and deposits were $43,601,576, a gain of nearly $3 million.

Annual meeting will be Jan. 26, 1951, in Toronto.

	Dec. 31 1950 $	Dec. 31 1949 $
Liab. to public*	82,207,921	76,359,158
Shareholders' equity	12,861,761	12,653,536
*Secured by:		
Mtges. & sls. agree.	62,971,068	55,939,273
Office premises	3,173,800	3,026,800
Liquid assets‡	28,924,814	30,046,621
Total	95,069,682	89,012,694
‡Includes bonds and stocks, of which $2,457,500 in both years shs. of Can. Perm. Trust Co., at cost.		
Net profit	838,226	762,804
Earned per Share‡	$2.39	$2.18
Paid (new)	0.90	....
Paid (old)	4.50	8.00

‡Based on 350,000 shs. o/s after giving effect to 5-for-1 stock split in July, 1950.

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INVESTMENTS

Auto Fabric Prod.

Please give me some information on Auto Fabric Products Co.

Auto Fabric Products Co. carries on the business of manufacturing, distributing and selling fabric automobile parts and accessories, household utility articles and fabric nursery articles. About 95% of the business is for the automotive trade.

Sales in 1950 were up about 25% and the company had an excellent year, a company official informed The Post. Operations are currently at capacity and the outlook for this year appears favorable, judging from the large volume of orders on hand, he says.

An extra cutting room was added during the past year which has increased the capacity of the plant by 40%. Cost of the addition was about $40,000-$50,000.

Net profit in 1949 was only $17,086 ($100,414 in 1948), equal to 68c ($4.02) per class "A" share and 2c (85c) on the class "B." The sharp decrease in profit from operations in 1949 was a result of rising production costs, a lower sales volume and the decision to sell at less than cost a considerable quantity of merchandise which had been on hand for some time and which was subsequently replaced by materials not previously available.

Dividends at the full rate of 50c per share per annum have been paid regularly on the class "A" shares since the initial payment on Oct. 1, 1946, and 40c per share per annum has been paid on the class "B" shares since April 1, 1947. Participating dividends earned are cumulative on class "A" shares to an additional 40c per share. Latest dividend declaration was 15c and 10c respectively, on the class "A" and class "B," paid Jan. 2, 1951.

Section 95 (A)

In connection with capitalizing the undistributed surplus of a private company under Section 95(A) of the Income Tax Act, how much do you have to pay the 15% tax on? For instance, if the company has $25,000 in undistributed income and elects to pay the 15% tax and distribute the capitalized amount to shareholders, would it have to pay 15% on all of the $25,000 or just on the shares which the shareholders are getting and not on the amount of money the Government will receive?

You will have to pay the 15% tax on the total amount of your undistributed income on hand at the end of your 1949 fiscal year if you elect to take advantage of Section 95(A) of the Income Tax Act, The Financial Post understands.

Thus, if your year ended Dec. 31, 1949, and you had undistributed income of $25,000 on hand you would have to pay a tax of 15% on that amount if you elect to take advantage of this section and you would capitalize the difference between the $25,000 and the amount of the tax.

INCOME TAX

Goes to Live in U. S.

I am a Canadian girl who in 1950 worked from January to the end of September. My salary during that time was approximately $2,400. At the end of September I was married and came to live in the United States. Am I expected to make an income tax return to Canada?

Yes. You are expected to pay tax on your Canadian income. As you left Canada at the end of September, you will be entitled only to three fourths of the exemption allowed for a full year. As you were single, your exemption will be three fourths of $1,000 or $750 leaving a taxable income of $1,650, unless there are other exemptions.

Western Assurance Co. Marks 100th Anniversary

Western Assurance Co., this year completes one hundred years of operation, a notable record among Canadian fire and casualty insurance companies. Founded 16 years before Confederation, its history is bound up closely with Canada's.

From a small company in a town of 31,000 (Toronto) people, doing a local business, the company has spread its activities over 47 countries underwriting a wide range of insurance risks throughout the world.

Fire and casualty insurance is admittedly a risky business and the century covered by Western's history shows numerous casualties. As President G. Stubington states in his foreword, "survival suggests a background of prudent management and skilled underwriting control."

Like the fire insurance business, the company in succeeding cycles saw prosperity and depression. Its underwriting profit over 98 years equalled only 2-31/100 cents of each premium dollar earned, (this relatively small return of course being supplemented by interest earnings on capital and reserve funds.)

New Head Office

The company is constructing a new head office building at Wellington, Colborne and Scott streets in Toronto, which it will occupy this year.

First president of the company was Isaac C. Gilmor and business was started in Toronto, the first application being accepted Dec. 16, 1851, on property of J. T. Matthews. Agencies were granted in various towns,

Toronto was divided into seven wards, one director being alloted to each ward. Each director had a memo book with names of properties insured by the company and was to attend every fire in the ward, and as a company officer urge fire brigades to save property insured by it.

In 1852, company started writing marine insurance on risks from Lake Huron, Port Sarnia, to and from Quebec, New York and other Atlantic ports. In 1868, marine underwriting was extended to Saint John and Halifax. In 1854 the first head office building at Church and Colborne Streets was projected.

From 1858, the company kept its accounts in decimal currency. The $4 bill and 20 cent piece then being issued, corresponded to the exchange rate on the U. S. dollar, 20 cents to the shilling, five shillings to the dollar and $4 to the Canadian pound.

By 1867, Confederation Year, the company was well established. Between 1872 and 1877, it opened agencies in almost every state of the United States, and a new office building, the one now occupied at Scott and Wellington Streets, Toronto, was opened in 1880. In 1887, two years after completion of the CPR an agency opened in British Columbia.

Operations were eventually extended to the United Kingdom, Continental Europe, the Middle and Far East.

As years passed, the Western paid losses on numerous disastrous fires, including: in Toronto, the Globe Building and the Osgoodby Building and the Robert Simpson Building in 1896 with total loss of $2 millions; Ottawa and Hull fires in 1900, a $45 million fire in Baltimore; a $10 million fire in Toronto in 1904; a $350 million fire in San Francisco in 1906.

Two of its "battle honors" of which the Western is proudest are:

After the 1904 fires, shareholders voluntarily wrote $1 million off the paid up capital stock.

In 1906 shareholders put up $1,250,000 through a special preferred stock issue to pay claimants in California. The Western paid all its claims, causing Finance Minister W. S. Fielding to say that the company had "saved the credit of Canada."

For some years, economy was strictly enforced but by 1909 company affairs had improved so that it resumed payment of directors fees. Later heavy losses were incurred in the Halifax explosion and the burning of Salonika in 1917.

Acquires Subsidiaries

In 1924 with its associate the British America Assurance Co., Western acquired the Imperial Guarantee & Accident Insurance Co. of Canada. In 1927 it acquired control of the British Canadian Insurance Co. In 1950 in the Rimouski, Cabano and Winnipeg disasters, the Western again contributed its share of indemnity.

The company starts its second century with a record of having paid claims totaling over $166 millions in its first century. Steady increase in its resources enables it now to conduct the largest business in its history.

Bond Yields Up Slightly

The 40 bond yield average compiled by McLeod, Young, Weir & Co. on the basis of bond prices at Jan. 2, 1951, was 3.45% as compared to the previous month's 3.39%.

Average yields of all four groups showed considerable increases over the previous month.

McLEOD, YOUNG, WEIR BOND YIELD AVERAGE

	Dec. 30 1949	July 3 1950	Nov. 30 1950	Jan. 2 1951
10 Provinc.	3.02	3.13	3.19	3.26
10 Municip.	3.50	3.45	3.49	3.51
10 Pub. util.	3.26	3.34	3.37	3.44
10 Indust.	3.51	3.50	3.51	3.58
40 Bond Av.	3.32	3.36	3.39	3.45
Av. Matur.	15 yrs. 9 mos.	17 yrs. 1 mo.	16 yrs. 11 mos.	16 yrs. 10 mos.
Gov. of Can.	2.74*	2.77‡	2.92‡	2.98‡

* 3% Sept. 1, 1966.
‡ 2¾% June 15, 1968.

Welles Corp. Ships Canada-Made Buses

Bus operators have shown interest in the Welles-Marmon-Herrington transit coaches to be made in Canada, says Welles Corp. Ltd. Welles Corp. has begun production of the coaches at its Windsor, Ont., plant.

Two 32-passenger coaches have gone to Algoma Steel Corp.; one each of the same size to Oshawa Street Railway and to Artel Larocque, Sturgeon Falls, Ont. Rouyn-Noranda Transport Corp. has bought a 27-passenger model.

The company is now furnishing the coaches with propane equipment optional.

Taxi Driver Causes Accident Wife Hurt, Collects Damages

Can a taxicab driver's wife collect damages from the cab-owner for damages she sustained while riding as a passenger in the cab driven by her husband?

A judgment given at Montreal indicates that she can, even though the court awarding damages rules that the husband-driver of the taxicab was traveling too fast and caused the accident.

The cab driver was traveling on Sherbrooke St. East, at a fast rate of speed.

The driver of the bus, having engine trouble, had parked on the street and leaving the bus with all lights lit in the interior went to telephone his garage. The taxicab, driven, according to the court at an excessive and dangerous rate of speed, struck the bus and the driver, his wife and two other passengers were injured. All four sued the owner of the taxicab and the bus company for damages.

The court found the driver at fault for the mishap but absolved the bus company from all blame, stating that when parked the bus had external lights and signals sufficiently visible to an experienced driver to permit the driver to avoid running into it.

The owner of the taxicab pleaded in his own defense that the driver was not engaged in work for which he was employed, because at the time of the accident he was driving his wife, one of the plaintiffs and his sister on his own personal business and that he was forbidden by the rules of the taxicab association to drive beyond the Island of Montreal without his employer's permission, which in this case he did not have.

The driver's claim for damages against his employer was dismissed, but the employer was held responsible for the damages caused by his driver to the other passengers and ordered to pay damages of $9,780 to one passenger, $7,098 to another and $5,567 to a third passenger.

Total damages awarded were $22,445 against a total of $75,680 claimed.

GOODYEAR TIRE & RUBBER CO. additional 781 4% cumulative redeemable sinking fund preferred shares purchased for redemption, thereby reducing outstanding preferred to 154,358 shares.

SCYTHES & CO. additional 640 preferred shares purchased for redemption, thereby reducing outstanding preferred to 13,670 shares. Central Canada Loan.

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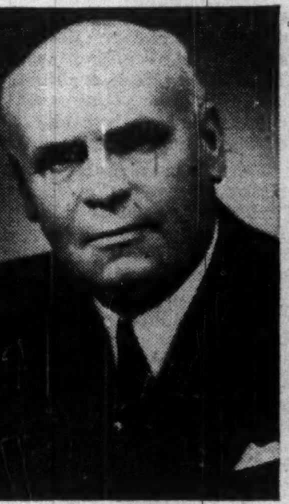
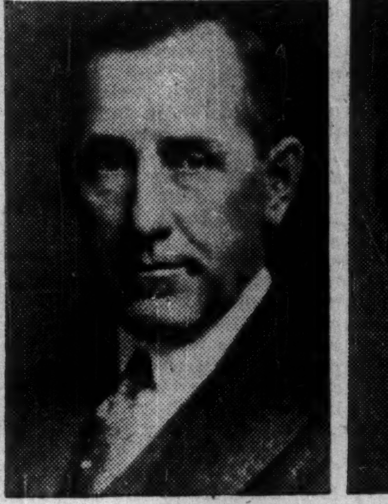
EDWARD B. McGEE, General Manager
PORT COLBORNE, ONTARIO

BANK OF TORONTO APPOINTMENTS

JAMES L. CARSON
Chairman of the Board



B. S. VANSTONE
President



F. K. MORROW
Vice President

L. G. GILLETT
Vice President & General Manager

The Bank of Toronto announced at its 95th Annual Meeting the following senior appointments: James L. Carson, who has been President of the Bank, is now Chairman of the Board. B. S. Vanstone, having been Vice President since 1948, and prior to that date General Manager, is the new President. F. K. Morrow, prominent industrialist and a Director for 25 years has been elected a Vice President. L. G. Gillett, who continues as General Manager, has been elected a Director and a Vice President.

*

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Will Cigar Make Comeback in Public Favor?

Producers Try New Stunts To Regain Smokers' Market

Canadians smoked far more cigars 40 years ago than they do now. Then the cigarette took over. Cigar makers are using new "gimmicks," pushing the small cigar, to lure customers, boost sales.

By PAUL DEACON

It's only two or three weeks now since manufacturers in Canada's cigar industry were sitting back and watching with glee as their business proceeded to go up in smoke. Already, however, they're settling down once more to the serious job of trying to make other periods of the year more like Christmas.

For with the country's cigar makers and their 50,000 outlets, Christmas and the holiday season is the biggest, fastest selling period of the whole year. And this year was no exception.

For weeks prior to Christmas, operators of cigar counters all across the nation had been placing their orders and stocking up for the great yuletide rush. The fragrant clouds of smoke from the 30 million cigars they sold in December became steadily more billowy as the month wore on. And during the week before Christmas and the week after, when the biggest rush was on, their cash registers chimed loud and happy holiday music.

When the year ended they had grossed in 1950 about $18 millions-$19 millions, all but 1% in domestically manufactured brands.

This was down, however, about 5% from 1949. Despite strenuous efforts to boost sales, particularly in the latter part of the year, preliminary returns indicate that the holiday business also was a little below a year ago.

"It was a good Christmas, but no howling success," as one manufacturer put it.

Canadian cigar makers based their driving finish in 1950 and their hopes for better things in 1951 on merchandising stunts designed to counteract the decline in business of the last three or four years. These have consisted mainly of new and more attractive packaging devices, renewed efforts to lure the younger male smokers from cigarettes to cigars. How successful these selling ideas turn out to be will probably determine the direction of future sales promotion schemes, may indicate their chances of altering the present trend.

For, compared with the more than 220 million cigars sold in 1946, the industry this past year sold only about 190 million. In addition to the short-term decline, a sharp drop has taken place since the early part of the century when cigarettes first came into popular use.

In 1913, for instance, when the population was only a little more than seven million, Canadians smoked nearly 300 million cigars — more than 50% more than now despite a doubling of the number of potential cigar smokers in the interval. Thus per capita cigar consumption has slumped from about 40 a year to less than 15.

Cigarette consumption, on the other hand, has risen during the same period from just under one billion a year to around 17¼ billions now, or from 140-odd per capita to about 1,250 per capita.

Part of this rapid rise of the cigarette is due to the advent of women into the ranks of the smokers. Industry officials point out also that cigarette smoking got a great boost during the First World War. Prior to that time, the cigarette was a relative upstart in the tobacco field (until the 1903 fiscal year there were more cigars consumed in Canada than cigarettes), but its popularity with the troops overseas built up a large market it never lost.

Down in U. S. Too

This long-term decline in cigar smoking has also been evident in the United States. Although it's still the world's largest market for cigars, the U. S. cigar industry in 1949 sold only 5.6 billion cigars compared with eight billion in 1920. On a per capita basis, of course, U. S. consumption is still more than twice ours — 37 a year against our own 15.

On the basis of the U. S. pattern, cigar makers point out, there's room for expansion here. But even in their most pleasant dreams (about phenomenal rises in the birth rate and an unprecedented extension of the Christmas spirit to the other 51 weeks) they don't look for any sharp reversal in the trend of cigars versus cigarettes. Still they do feel it should be possible for them to get a bigger slice of the smokers' business than they're now getting.

Cigars, they claim, are the better smoke. The sales manager of one company which makes both, puts it this way: "People smoke both cigarettes and cigars for pleasure. I like cigarettes during the day when I'm working, but for real relaxation and pleasure, especially in the evening after a meal, give me a cigar every time."

Whatever the merits of the cigar versus the cigarette, there's no doubt which holds the upper hand among smokers. Canadians are shelling out more than $300 millions a year for fags — a good 18 times their expenditures on cigars.

New Sales Approach

And to try to swing the balance a little more in their favor, cigar makers are testing new sales ideas, reviving some old. Their main efforts are directed at interesting the young smokers in cigars. One of their chief come-ons: the small cigar.

For cigar manufacturers are taking seriously the old adage—"What the world needs is a good five-cent cigar!" The cigars which now sell for a nickel are considerably smaller than those visualized by the originator of that hoary bit of homespun philosophy but on the present five-cent models many manufacturers are pinning most of their hopes in their bid to boost sales.

The small cigar — variously called a panetela, cigarillo, stogie or cheroot — is a mild, less imposing edition of its bigger brothers — the coronas, invincibles, perfectos, etc. It's also cheaper. This, say cigar men, is the ideal means of introducing young men smokers to the cigar and, they hope, of enlisting them as permanent customers.

That the small cigar is a good vehicle for their proposed climb back to public favor is borne out by past experience. In the 1939 fiscal year a new shape of small cigar (much like the large ones) was introduced and pushed by manufacturers. That year total sales of cigars were only 128 million. Eight years later, they were 90 million greater, with about 40% of the total increase being taken up by cigars selling for a nickel or less. A lot of this rise stems from higher incomes and population, but the real impetus, it's claimed, was provided by the small cigar.

So after the decline in business of the last two or three years, the manufacturers are once more pressing their dealers to push the small cigars, especially among the younger fellows. Although the wrapper forms a relatively larger part of the whole cigar and consequently produces a different taste, good tobacco is used in these pint-size models. The smaller size, it's argued, provides an easier transition from the cigarette to the larger-sized cigar.

Another development recently has been the introduction of a transparent air-tight plastic container to replace the normal wooden cases. An innovation brought out by Benson & Hedges, it's designed to show off the cigars on the counter using the same principle underlying the trend towards large glass fronts in retail stores. Customers are confronted with the cigars when passing or stopping at the counter; before, the smokes were often kept in boxes on a shelf or in a drawer.

Other leading makers, including Imperial Tobacco and H. Simon & Sons, have been putting out some of their better brands of cigars in individual aluminum containers to give them an eye-catching, streamlined look. This is a variation of the cedar wrapper in which some are sold.

From their reception so far, manufacturers are hopeful that both the new gimmicks and the extra effort behind the old will pay off. Whether they will result in a permanent boost in sales won't be known for some time yet, but there's considerable optimism among industry officials.

Effect of Higher Costs

One of the things cigar manufacturers have been battling, just as in other industries, has been the increasing cost and the resultant higher retail price of their product. Tobacco costs and labor rates are both well above prewar. The Canadian industry has been turning more and more toward machine-made rather than hand-made cigars, not only to overcome the higher labor costs but also to produce a more uniform and what they feel is a more sanitary product.

Their main beef, however, is directed at the sharp increase in taxation on cigars. Taxes used to be levied on the basis of so much per thousand, but since 1946 they've been based on the dollar value. For instance, a cigar which sold for 10c before the war had a tax of $11.50 a thousand: now its sells for 14c and carries a tax of $28.70 a thousand — 150% higher tax even though its price has gone up only 40%.

This new method of calculating the tax has meant an increase in federal excise duty and taxes paid by the cigar industry of $750,000 annually. The total was $2,225,000 in 1945, nearly $3 millions in 1949, despite a slight decline in output. Almost another $1 million is being paid in federal sales tax. Taxes on individual types of cigars are anywhere from 25% to 75% above even their wartime highs.

Thus in addition to the consumer resistance resulting from higher prices due to high costs, the larger tax burden has put them in a worse way still, industry officials contend. This has hit employment in the industry, has also shrunk earnings. The present tax structure is the main reason, they claim, for the decline in cigar smoking since 1946 despite prosperous business conditions and increasing population.

Fewer Firms in Business

In the decline from the pre-World War I peak output, the number of cigar manufacturers has dropped from several hundred to the present 31.

Most of the industry is now concentrated in the East — 10 makers in Ontario, 21 in Quebec and one in Vancouver. On these cigar makers depends a prosperous new tobacco growing district in the Province of Quebec. About 85% of the "filler" now used — that is, the tobacco in the body of the cigar — is grown in Quebec. The remainder is imported, practically all of it from Cuba.

All the "wrappers"—the broad leaves used on outside — are imported. Main sources of supply are Connecticut, where a large shade-grown (tobacco plants are grown under cloth "tents") wrapper industry has risen and Cuba and Sumatra.

Imperial Tobacco has been experimenting for some years with shade-grown wrappers in Quebec, but no commercial production has been attempted. Although the company has proved to its own satisfaction that good quality wrappers can be grown here, costs are prohibitive.

All of the high-priced cigars sold in Canada use imported tobacco, both filler and wrappers. About 1% of total volume is in cigars made in Cuba. Canadian-made Havanas generally sell at somewhat lower prices, although their makers claim they're as good as the imported product. Nevertheless, the imported hand-made Havanas, despite their higher price tags, still retain a hold on about 4% of the top-quality market. Jamaican cigars and Jamaican tobacco, big guns in the United Kingdom market, particularly since the dollar shortage, aren't a factor in the Canadian picture.

While these premium-priced coronas, invincibles and so on are an important part of the total market, 75% of the cigars sold in Canada are in the lower-price brackets, around the 10c mark and below. That's still the bread and butter business of the industry. And that, say manufacturers, is where the best efforts of a large part of the industry will be directed in trying to win new friends for cigars in 1951.

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THE PROVINCIAL BANK OF CANADA

Resume of Address delivered at the 50th annual general meeting of shareholders at the head office of the Bank, Wednesday, January 10th, 1951.

ADDRESS OF THE PRESIDENT, THE HON. ES. L. PATENAUDE, P.C., K.C.

The Hon. Es. L. Patenaude, President of The Provincial Bank of Canada, began his speech as follows: "I would like, today, in casting a glance back on the past, on these fifty years of extraordinary development, to reveal the basic reasons for our faith in the future, in spite of the dark clouds which are gathering on the political and economic horizon of the world, the fundamental grounds for everybody to go ahead with his professional tasks, in the light of the elemental truths within the Canadian nation."

Mr. Patenaude then drew a full picture of the economic situation of Canada at the dawn of the Twentieth century, from the angle of: agriculture, sub-soil and forest, electricity, manufacturing industry, foreign trade and railways.

Agriculture—"was at that time sticking to traditional form of cereal and fodder production and barely reached a figure of four hundred million dollars."

Sub-soil and Forest:—Mineral production only registered 65 million dollars. Oil showed a declining production of 600,000 barrels a year; there was no iron ore. Blast furnaces then existing gave about 250,000 tons of pig iron and forests products had a value of less than 60 million dollars.

Electricity—Mr. Patenaude drew a parallel of the production of electricity which was 238,000 h.p., with a capitalization of some twelve million dollars, and which has now risen to two billions invested capital in hydro installations producing 12 millions h.p.

Manufacturing Industry—with its half-billion dollars worth of gross production, representing hardly more than one twentieth of what it has become today.

Foreign Trade—After quoting certain figures showing the percentage of our exports and imports at that time and saying something about the development of the railways, Mr. Patenaude continued: "There was within that economy a tremendous potential of natural resources of the soil and the sub-soil as well as a huge reserve of human energy and talent; this material and human potential was to serve as a magnetic pole for the rest of the world."

The President of The Provincial Bank of Canada spoke of today: "Fourteen millions population, 5,200,000 of whom are gainfully employed, some twelve billion dollars of investments since 1945, a third of which is for the single year of 1950, a material and human capacity of production at its peak or nearly so, and a national output in excess of seventeen and a half billion dollars, twenty times higher than at the start of the century. The Canadian economy gained new strength in 1950 despite the uncertainties of the first few months. However, the present situation is not without some dangers, among which is the evolution of our export trade and the inflationary drive."

Mr. Patenaude then mentioned the various steps taken by the Government with a view to checking inflation, and the various remedies necessary to halt the rise in prices. Some of these are: a well-planned reduction in public expenditure other than defence; a system of taxation fairly and properly distributed; a monetary policy carefully drawn up in terms of the present as well as of the future. The President of the Bank stressed the rôle of Banks in the Canadian economy and concluded in these words:

"This rôle must be taken on by all in varied degree and to the best of their possibilities and means. Looking at the picture of the astonishing achievement of the Canadian nation during the last fifty years, we cannot fail to admire the examples of initiative, energy and perseverance, of enterprising character and fearlessness shown equally by its most famous as well as its least-known sons. We shall search in these examples, and with the help of Providence, for the will-power and the courage to maintain ourselves and to march ahead."

ADDRESS OF THE GENERAL MANAGER, MR. J. U. BOYER

Presenting the 50th annual statement of the Bank, covering the fiscal year ended 30th November, 1950, the General Manager, Mr. J. U. Boyer, notes a continued strong liquid position, together with healthy growth in assets and deposits and in commercial loans.

Total assets have reached the record figure of $179,157,194, which is $17,612,867 more than in 1949. Readily realizable assets amount to $119,008,246, compared with $107,698,681 last year. Cash assets have increased by $5,375,634 and now stand at $34,498,304. Holdings of Federal and Provincial bonds maturing within two years have increased $3,001,401 and now stand at $24,589,868. Those of longer maturity have reached $42,126,903, an increase of $5,058,617.

Current loans and discounts at November 30th last, totalled $52,598,028; compared with $47,124,826 in 1949, this shows a gratifying increase of $5,473,202. Loans to cities, municipalities and school corporations amount to $4,152,474 compared with $2,699,051 for the previous year.

Total deposits at the end of the fiscal year reached the record figure of $169,146,286, almost $19 millions more than for the same period last year. Commercial deposits increased by $9,052,038, while deposits of the Federal and Provincial governments showed an increase of $932,742 for a total of $6,410,969. Savings deposits reached $119,703,136, up $8,868,143 from last year.

Profits at November 30th last, amounted to $732,629 after the usual appropriations to contingency accounts. From these profits the following provisions have been made: $150,000 for Federal taxes; $146,135 for amortization or depreciation on real estate which now amounts to $2,545,589.

For the fourth consecutive year $100,000 has been contributed from the profits to the Staff Pension Fund. The sum of $240,000 has been set aside for regular dividends and an additional $40,000 for a special dividend of 1 per cent. After dividend payments totalling 7% to the shareholders, the sum of $56,493 has been carried to Profit and Loss account, which amounted to $558,514 at November 30th, 1950.

Mr. Boyer recalls that The Provincial Bank of Canada has in operation at present, in the provinces of Quebec, Ontario, New Brunswick and Prince Edward Island, 135 branches and 200 agencies. During the year the agency at Labelle was converted into a regular branch and some additional branches are to be opened in the near future.

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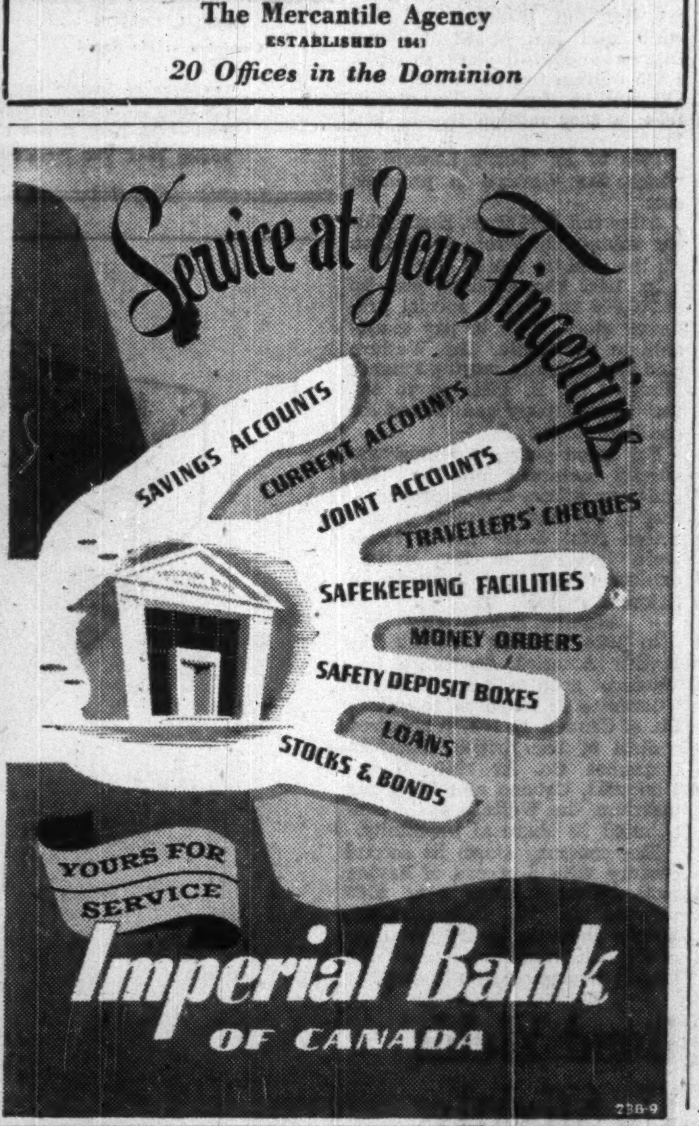

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Position of Chartered Banks of Canada as of November 30, 1950 Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation	Deposits by and Bal. Due to Dominion Government	Deposits by and Bal. Due to Provincial Governments	Advances from Bank of Canada Secured	Demand Deposits in Canada	Savings Deposits in Canada	Deposits in Canada in currencies other than Canadian	Deposits Elsewhere	Bal. due to other banks in Canada	Due to banks in U. K.	Due to Banks Elsewhere	Letters of Credit outstanding
	$	$	$	$	$	$	$	$	$	$	$	$
Montreal	....	85,972,470	35,991,603	....	681,815,845	1,083,767,071	18,690,444	75,510,690	36,494,394	11,293,813	32,803,458	40,551,955
Nova Scotia	50,803	22,999,397	5,019,185	....	219,087,218	407,100,296	10,404,700	81,383,170	10,745,255	1,748,154	11,457,032	26,539,300
Toronto	....	16,199,681	6,588,341	....	145,880,593	275,266,787	1,207,795	....	5,306,741	3,657,271	6,215,125	4,506,359
Provincial	....	3,395,081	3,015,887	....	43,024,130	119,686,838	24,347	....	2,348,875	....	539,824	304,757
Commerce	28,950	54,371,723	45,482,463	....	541,749,661	841,772,571	5,850,323	97,171,600	21,214,345	6,339,690	23,225,174	66,974,384
Royal	249,989	62,256,232	41,652,004	....	734,807,753	1,013,770,977	43,565,883	357,796,048	27,003,317	6,907,912	49,743,339	69,437,889
Dominion	....	14,297,365	1,855,305	....	170,550,910	223,010,508	3,914,376	12,207,452	7,069,123	2,254,387	4,381,326	12,600,050
Nationale	....	9,610,130	3,807,777	....	100,380,787	295,044,520	510,714	724,091	3,009,843	131,061	1,402,348	966,341
Imperial	....	17,267,352	20,075,464	....	168,868,048	275,277,161	1,642,147	....	8,672,922	4,869,391	12,279,702	8,415,066
Barclays	....	2,085,256	20,883	....	9,189,085	8,335,745	5,363,094	....	862,677	4,157,417	3,040,502	1,944,580
Total	329,742	288,454,717	163,508,912	....	2,824,372,030	4,543,032,564	91,173,823	624,793,051	122,817,492	41,379,096	145,177,830	232,237,781

NAME OF BANK	Other Liabilities	Dividends Declared and unpaid	Reserve Fund	Capital Paid Up	Total Liabilities	SUPPLEMENTARY INFORMATION Capital Authorized	Capital Subscribed	Last Dividend	†Loans to Directors and firms of which they are partners	Greatest Amount of Notes in Circ.	Bills rediscounted with Bank of Canada
	$	$	$	$	$	$	$	%	$	$	$
Montreal	936,892	913,023	48,000,000	36,000,000	2,188,831,663	50,000,000	36,000,000	10	812,179	....	....
Nova Scotia	1,772,075	269,748	24,000,000	12,000,000	834,576,338	15,000,000	12,000,000	14(2)*	3,797,796	51,348	....
Toronto	309,855	330,655	14,000,000	6,000,000	485,478,208	10,000,000	6,000,000	14(2)*	516,272	....	....
Provincial	151,250	107,686	2,000,000	4,000,000	178,598,679	5,000,000	4,000,000	6(1)*	736,030	....	....
Commerce	797,501	639,872	30,000,000	30,000,000	1,765,638,561	50,000,000	30,000,000	8(2)*	1,594,142	29,381	....
Royal	3,349,328	915,827	50,000,000	35,000,000	2,498,456,303	50,000,000	35,000,000	10	2,476,936	263,216	....
Dominion	342,987	145,016	11,000,000	7,000,000	470,637,930	10,000,000	7,000,000	10(2)*	462,889	....	....
Nationale	61,481	159,587	7,000,000	7,000,000	438,898,685	10,000,000	7,000,000	8	839,084	....	....
Imperial	186,217	146,436	10,000,000	7,000,000	534,679,910	10,000,000	7,000,000	12(2)*	837,591	....	....
Barclays	18,858	....	1,500,000	1,500,000	38,015,101	1,500,000	1,500,000	....	....	....	....
Total	7,906,444	3,627,840	197,500,000	145,500,000	9,431,811,378	211,500,000	145,500,000	....	12,072,919	343,945	....

†And loans for which they are guarantors. *Extra dividends shown in brackets.

ASSETS

NAME OF BANK	Gold and Subsidiary Coin held in Canada	Gold and Subsidiary Coin held Elsewhere	Notes of Bank of Canada	Deposits with Bank of Canada	Notes and Cheques on other Banks	Govt. and Bank Notes other than Canadian	Balances due by other banks in Canada	Due by banks in U. K.	Due by banks elsewhere	Dom. Gov. Short Term Sec.	Dom. Gov. Long Term Sec.	Prov. Gov. Short Term Sec.	Prov. Gov. Long Term Sec.	Canadian municipal securities
	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	3,038,492	13,997	43,337,978	133,054,481	111,896,843	1,078,277	7,170	4,767,993	36,897,452	199,646,430	623,645,933	33,568,693	90,088,486	50,176,383
Nova Scotia	1,453,327	686,343	22,858,046	52,345,678	50,146,195	4,659,363	....	408,924	23,297,214	54,916,592	138,424,022	6,628,484	11,313,946	12,176,023
Toronto	677,929	....	10,224,912	23,977,684	36,967,093	412,096	....	1,465,975	5,391,770	35,570,274	129,522,301	5,422,084	13,174,331	10,454,716
Provincial	482,283	....	5,007,983	10,945,783	16,117,963	92,783	....	55,918	1,715,099	18,519,942	27,329,820	6,070,026	14,797,082	6,623,091
Commerce†	2,435,409	54,858	33,993,237	104,575,085	67,128,971	1,892,357	336,879	2,630,005	37,795,702	168,506,048	427,888,812	22,711,029	42,357,577	33,187,384
Royal	2,897,268	1,589,880	50,028,452	147,688,660	111,331,531	29,660,030	....	8,837,163	119,080,095	192,867,481	610,973,306	27,764,644	75,161,471	40,531,592
Dominion	749,345	333	9,579,971	28,674,843	37,642,429	325,176	....	1,594,201	10,519,137	53,025,960	91,885,459	1,227,080	6,088,705	7,534,519
Nationale§	1,375,348	105	15,105,433	33,486,072	16,617,024	313,843	....	662,234	3,487,740	33,675,548	76,759,397	4,514,086	38,478,942	17,605,938
Imperial	1,219,034	....	13,684,803	30,066,364	26,881,563	185,562	721,239	2,263,950	4,705,547	59,384,667	130,735,453	1,954,131	7,836,998	10,288,677
Barclays	15,337	....	218,579	3,976,531	1,425,028	10,714	136,411	607,735	1,556,305	2,490,030	5,613,208	1,387,993	5,251,981	1,210,568
Total	14,343,772	2,341,516	204,128,205	578,791,651	476,134,630	42,630,141	1,201,699	23,294,110	244,446,061	818,611,981	2,262,777,721	111,248,252	304,549,519	189,788,891

NAME OF BANK	Public Securities other than Canadian	Other bonds and stocks	Call and short loans in Canada	Call and short loans elsewhere	Current loans in Canada	Current loans elsewhere	Loans to provincial governments	Loans to municipalities	Non-current loans	■Real estate other than Bank premises	Bank Premises	Deposit for note circulation	Other assets	▲Total assets
	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	53,786,523	126,831,334	24,704,809	19,189,160	526,485,803	21,012,152	8,037,638	18,767,160	204,249	92,483	18,524,499	....	2,823,980	2,193,330,371
Nova Scotia	8,557,506	23,457,796	25,298,847	12,065,530	282,582,060	44,983,371	2,607,904	8,118,828	80,536	1,800	10,539,257	....	643,992	837,790,905
Toronto	....	15,135,688	12,485,509	....	150,437,692	....	....	6,244,075	14,790	12,629	5,996,139	....	62,309	487,156,374
Provincial	....	8,383,260	2,786,709	....	52,598,028	....	93,512	4,152,474	25,338	238,881	2,545,589	....	270,864	179,157,194
Commerce†	43,095,232	77,818,789	26,100,951	9,949,812	497,272,523	50,370,074	16,364,406	13,850,802	471,550	200,238	18,941,379	....	3,455,026	1,770,358,830
Royal	95,067,306	104,282,016	52,539,395	47,465,108	555,160,656	112,143,232	4,316,220	16,842,864	262,590	213,271	17,068,704	....	4,165,709	2,497,376,342
Dominion	917,432	7,141,437	8,135,607	7,064,456	172,459,944	4,823,116	....	1,882,714	17,788	40,191	6,920,835	....	299,565	471,149,313
Nationale§	349,203	15,603,187	3,556,008	....	151,990,731	300,792	....	17,716,616	25,985	....	6,761,950	....	107,569	439,550,113
Imperial	....	9,614,425	8,164,147	....	205,953,111	85,746	211,203	7,081,680	32,267	....	7,117,190	....	65,891	536,640,255
Barclays	2,844,852	550,000	430,925	....	6,881,522	....	....	....	223	....	1,290,245	....	31,217	38,180,494
Total	204,618,054	388,817,944	164,202,997	95,734,070	2,601,822,070	233,718,483	31,630,883	94,657,232	1,235,325	799,493	104,706,296	....	11,925,122	9,449,099,191

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*The business of the Bank in San Francisco, U.S.A., is carried on under the name of a locally incorporated company and the figures are incorporated in the above return.—Footnote to Bank of Montreal return.

†The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of The Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to The Canadian Bank of Commerce return.

■Includes mortgages.

▲Total assets include $232,237,781 letters of credit outstanding as shown in liabilities.

‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the Bank in Paris and the assets and liabilities of The Royal Bank of Canada (France) are included in the above general statement.—Footnote to The Royal Bank of Canada Return.

§Banque Canadienne Nationale (France) has been incorporated under the laws of France to conduct the business of the Bank in Paris and the assets and liabilities of the Banque Canadienne Nationale (France) are included in the above general statement. — Footnote to Banque Canadienne Nationale return.

CANADIANS MUST PROCESS MORE GOODS

J. L. Carson, President Addresses 95th Annual Meeting of THE BANK OF TORONTO

Make Our Raw Materials into Finished Articles Keep Profit at Home

Mr. Carson said:

Gentlemen:

During the past year, output of goods and services was at a record level. The pace of industrial expansion has been accelerated in recent years by important new discoveries of oil, high-grade iron ore, titanium and uranium. Canada is definitely on the march in the development of its natural resources, and we as bankers can have no better objective than to continue to help in promoting their development along sound lines. Unemployment during the year was exceptionally low. In many key industries output was at or close to capacity. Retail business has been good. Canadian gross national production was at a new all time high of slightly in excess of $17 billion, as compared with $16 billion in 1949.

Canada's mining output in 1950 with a value of more than one billion dollars topped all previous records, this in spite of the depressed condition of the gold industry. Our mining industry is destined to be a tower of strength in the development of our own and the United Nation's defense programme.

Forest Resources

Industries based on our immense forest resources become more important each year, indeed they can be classed among the major industrial enterprises of the world. Production of newsprint, lumber and pulp are at record levels. Credit should be given to our leaders in the forest industry of Canada, who are making continuous efforts for greater efficiency in forest products utilization, especially in utilization of waste in the woods and in the mills by better integration of forest products.

We stand on the threshold of a hitherto unexplored and unexploited wood age. The surface has only been scratched in this new field of complete utilization of the tree. Mills are now learning how to utilize previously discarded raw material. Closer integration of the woodland operations, sawmills, pulp, paper and chemical plants, spurred by progressive forest and industrial research, will create new varieties of processes leading to new products for which promising markets are available.

Newsprint continues to hold first place in our exports, with wheat second in importance, followed by lumber and pulp.

The western grain crops, which promised to be of good quality and record proportions up to within a short time of harvest, were struck by disastrous frosts, the worst in 25 years, which not only affected quality but greatly reduced yield. The production of wheat amounted to 430 million bushels, against a total of 365 million bushels for the previous year, the production of coarse grains being 678 million bushels, an increase of 174 million bushels over a year ago. Income from the sale of livestock was up 11% and it was a reasonably good year for agriculture despite the keen disappointment in western grain crops.

GROWTH IN PROSPECT

Impressive as is our gross national production, Canada can look forward with enthusiasm and optimism to much more spectacular figures in the decades ahead. My reasons for saying this are as follows: (1) All our achievements to date have been accomplished with less than one third of our north country explored, mapped and surveyed and (2) with less than 25 per cent of our potential water power resources in use; (3) because of our almost illimitable mineral reserves and petroleum supplies. There will be steady progress in proving our iron ore areas in Labrador, Quebec and Western Ontario and the dramatic expansion of Canada's western oil and gas fields likely will continue; (4) because of our vast forest areas which, if properly handled and conserved, will be a source of unending wealth; (5) because of our steadily improving and expanding farm production and (6) because of the soundness, aggressiveness, resourcefulness and productive ability of the Canadian people. These qualities of Canadians are not excelled anywhere in the world and every Canadian, taking the points above into account, is bound to face the ultimate future with confidence.

But we have blind spots. Few of us appreciate or realize the richness of our heritage. Fewer still understand that for permanence it must be conserved and wisely managed, and to hold and develop it we must have a very substantial increase in population. Canada indeed is the envy of the world but we are, however, too prone to wastefulness. We should keep engraved upon our minds these important words: Power, Minerals, Forests, Soil Fertility, and think of them in terms of conservation as well as development.

Raw Materials vs. Finished Products

Although in these times it seems to be extremely difficult, nevertheless we must keep our minds concentrated on Canada and its development. Our great heritage belongs to the Canadian people, and it is only from Canadians that plans will emerge which will preserve our resources and at the same time return to us the maximum profit from their use. Our tremendous supplies of base metals have encouraged the export of much of their production in the natural state, and subsequently we import finished goods made abroad of our own raw materials.

This system undoubtedly is satisfactory to the manufacturer outside Canada, and as a short term expedient it has had certain advantages to us. The income received from our raw materials has helped establish a great many fine manufacturing plants of our own, and from these an increasing stream of Canadian products is flowing into domestic and export markets. If we are to grow in size and economic strength we must, in my opinion, intensify these efforts. For instance, our production of aluminum in the world is second only to that of the United States. In 1949 about 83 per cent of our aluminum was exported in ingot form, the balance being retained for Canadian manufacturers for home and export markets. We exported over $9,000,000 in finished aluminum, but we imported almost $8,000,000 worth of aluminum products.

Expand Markets

What is indicated seems to be a drive for a bigger share of our own market, plus a determined programme of expansion in the export field. When one thinks of the millions of inhabitants of Africa, the Near East, India, Asia and South America who can absorb finished goods made of aluminum, such a project has almost unlimited merit. Naturally because we have so much more than we need ourselves it is likely that there will be substantial sharing of raw materials for many years ahead. The point is that to obtain maximum benefit we must accelerate our efforts to manufacture finished goods, and to find markets everywhere in the world for them.

Aluminum serves as an illustration for copper, zinc and lead. In all these metals only a small fraction is kept in Canada for the use and profit of our own people. We have advantages in production at every stage—slightly lower labour costs, cheaper power and a gain on transportation and handling costs. It must be borne in mind that the return on finished goods is from two to four times more per pound than it is on the raw material.

Steel

Steel still is king of metals, and shortage of it at critical periods of development can paralyze production. We produce about 2½ million tons of finished steel per year. We imported over the last 10 years one million one hundred thousand tons of finished steel per year. I am confident that we have facilities and engineering skills in Canada whereby our own ore could be processed until current production is doubled. Also I am sure that if we could produce 5 million tons of steel a year, good and profitable use could be made of it. With veritable mountains of high-grade ore in Canada there is little excuse for serious shortages of steel in this country. The way is open for bold and skillful leadership from our steel men—to process our own ore, to manufacture more of our own steel products and to sell more of them here and abroad. Initiative should come from within the industry, and it is encouraging to note in recent weeks that expansion of production is being contemplated.

The matter of processing applies to other industries but I shall refer only to the pulp industry. In 1949 the industry took pulpwood valued at $240,000,000 and converted it into products having a gross value of $836,000,000, thus increasing by 3½ times the value of the wood which it used, an excellent performance. Nevertheless it is my understanding that there are still large quantities of pulpwood being exported to the United States, and this also applies to pulp. I would suggest that our government make every possible effort to obtain a reasonable tariff reduction so that more of our pulp can be further processed and converted into fine papers, for which there is a large market in the United States.

Must Have Population

The frequent reference to the importance of increasing population is justified by Canada's fundamental needs. The progress made over a period of years is admittedly not satisfying. It has not been geared to the economic needs of such a progressive and ambitious people as our own. This country cannot develop as it should and achieve great industrial strength unless we have many more people. Today's population of 14 million is out of proportion to Canada's physical size, extent of resources and possibilities of development in mining, logging, farming and other great industries.

It would appear that the Federal Government is at last taking a more positive approach to the problem of increased population in its recent announcements providing loans to cover partial cost of transportation and having trained settlement officers to screen prospects. On top of this, provision has been made to subsidize fares for air transportation. There seems to be no reason why such subsidization should not be extended to other forms of transportation.

It is to our own advantage in many ways, and may I emphasize that it also is our duty, to encourage desirable people, able and willing to work, to come to this great country of ours. In this period of expansion in our economy, when Canada is in the midst of the greatest era of growth since Confederation, we could readily absorb large numbers of suitable immigrants. Now is the time to initiate an agressive and intensive programme.

Defense Programme Taking Shape

It is unfortunate but true that our thinking today must be conditioned by the needs of defense on its three major fronts—material, economic and political. Our material requirements must be carefully planned in relation to the remainder of our economy, and both of these fronts are affected by political repercussions of various kinds.

Nevertheless our defense programme is taking shape, and can be very effective if it has the whole-hearted cooperation of all groups of the community and is guided and directed by able, efficient leadership. The Dominion Government has been well advised in drafting Mr. Carmichael, a Director of the Bank of Toronto, as Chairman of the Industrial Defense Board. Mr. Carmichael handled a similar key position during the last war with marked success. It is heartening to all of us that he and other men of outstanding executive and organizing ability have accepted their country's call to key positions in our defense programme.

Inflation a Threat

Through these circumstances and needs of the present, however, there hangs over us the spectre of inflation—a force which, when it gets out of control, can destroy the prosperity of any people. Price inflation comes when the supply of goods is smaller than the demand, and it is aggravated when people have plenty of money to spend for the things they want. Currency inflation comes when the public loses faith in the value of the dollar and begins trading dollars for goods for which it has no immediate need. With labour fully employed it is evident that family incomes will be high during the next few years. And with a substantial portion of our production facilities and raw materials used for the manufacture of war materials, it follows that the supply of certain goods will be curtailed. The basis of price inflation will thus be created with a lower purchasing power of the dollar.

The government policy to develop the defense programme on a pay-as-you-go basis, as long as it is feasible, is re-assuring to the public concerning the basic worth of the dollar. And if the money to meet these payments is taken by taxation from the incomes of individuals and corporations, there will be less available for the purchase of goods in short supply. It is absolutely essential that in this ideological and military struggle in which we are engaged, Canada's economy be kept as sound and stable as possible. The Federal Government must lead the way in the battle against inflation, with industry, labour and the public co-operating.

Restraint Required

The Federal Government must introduce whatever fiscal policies are essential, restrain expansion of credit through the action of the Bank of Canada and through direct restriction of consumer credit facilities. It is the task of monetary policy to see that the money supply is adequate for a fully functioning economy, but not so large as to cause inflation. There must be the practice of economy at all levels of government and there should be restraint in spending on the part of the public. Taxation should not be raised to a level which would endanger the incentive of both workers and owners.

If new and additional taxes bring further offsetting demands for increased wages and salaries, higher commodity prices are likely to follow, with a continuation of the inflationary spiral. Restraint is required of labour in its bargaining, and capital in its profits. Sacrifices must be made by all in the interest of world peace. Thrift, hard work, pay-as-we-go, incentives for business enterprise and a rising productivity are needed more than ever before in order to check as far as is humanly possible the costly inflationary pressures.

The Gospel of Freedom

Throughout the democratic countries of the world there is a wave of realization that freedom is not a natural endowment to be left to its own survival. Historically, freedom was attained by our people through bitter struggle, and now we see that to retain it will demand a constant effort. We must be alert to danger, militant in defense, and aggressive in broadcasting our faith. The defense programme already formulated requires high economic activity which may easily be reflected in lower standards of living, since much of the output must be assigned to armament and to sharing in projects, such as the Colombo plan, for the upbuilding of countries which are in economic difficulty but which are in accord with our ideals.

The world situation at this moment is alarming, but the elements of courage and progress that exist in the Canadian system will provide strength to meet world problems and the basis for a better and richer life for our people in the decades ahead.

May 1951 bring to the freedom-loving peoples of the world that courage, unity, wisdom and charity which with God's help can overcome the obstacles now standing in the way of peace and fruitful co-operation among nations.

HIGH PRODUCTION AHEAD

In Reference to Prospects for 1951, Mr. Gillett said:

No forecast can contain what lies ahead. We are faced with dislocation of all kinds due to defense needs. In the reconversion of industry and manpower to meet any situation which may arise, there are indicated shortages of paper, steel, automobiles, consumer goods, and both men and women for specific economic production. Restrictions, controls, and markedly higher taxation are in the offing. On the other hand, a high level of both production and individual income likely will be maintained, and no small part of our problem will be slowing down the inflationary spiral which this induces.

Two Serious Questions

I should like to close on an almost personal note by touching in the briefest possible manner on what I consider two of the most serious questions affecting all of us today. These even underlie the grave international situation.

The first is relative to our productive capacity. It is, I think, accepted by everyone that in any country not dependent on outside support the sum total of goods available for consumption cannot exceed the value of the goods and services produced. Such being so, and if it is conceded that the general trend—in fact, the aim of all people of goodwill—is towards a more equitable division of income, how can we provide a better living for all, especially those who in old age have not had the ability or foresight to provide for themselves, when at the same time it is the desire of so many to work not longer but shorter and shorter hours, and to produce not more, but less? If you need a larger loaf, you must provide more flour; slicing the loaf thinner is not enough.

Relative Costs

My second question refers to relative costs. It is not enough to say that such real producers of wealth as farmers, for example, work long hours and most efficiently. For their labours to be profitable, they must sell their products at a price that will provide a margin over what they themselves require or consume; nevertheless, through increased costs they are affected directly by the efficiency, in terms of productive capacity, of everyone supported by our economic system.

The second question then is, can Canada, whose prosperity depends so much on its export trade, afford a greater amount of leisure and higher living standards for all and at the same time compete successfully with other countries, especially those whose people can have little hope of either ease or comfort, but strive only to rehabilitate their countries by working long hours for a bare subsistence?

I am asking these questions, not answering them. That answers must be found I know, and I am sure that they will be, but I believe these answers are not necessarily to be found in our superior wealth of basic materials, nor even in their more efficient utilization. We are a favoured people, and it is true that there are certain of our products for which the world is hungry and for which at the present time we can almost set our own price. This situation will not, however, always prevail and even now there are other products which we must sell in extremely competitive markets.

All Must Contribute

We must face the fact that to maintain and improve our position in the world of trade, we must compete with other nations whose people are skilled, resourceful, and willing to work hard. Regardless of what we would like, I am afraid that it is not yet possible to believe that in this country discomforts are a thing of the past, and that we can provide everyone with a fair share of security and ease without real effort and contribution by all of us. However, knowing the resourcefulness with which we have met our national problems in the past, I am confident that Canadians, in this period of their greatest development, can and will find the answers to these important questions.

GENERAL MANAGER REPORTS NEW RECORDS FOR LONG-ESTABLISHED BANK

L. G. Gillett, General Manager, said:

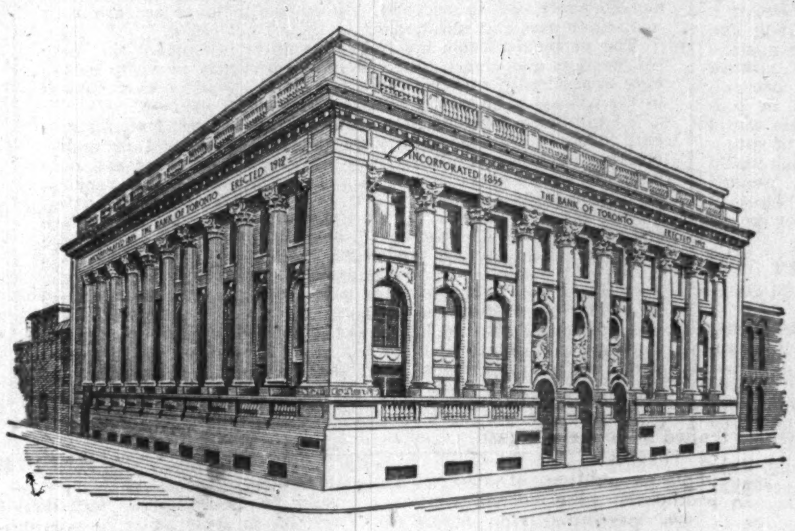
Mr. Chairman and Gentlemen:

The presentation of our statement to you today marks another full step forward toward this Bank's Centenary, which is now but a short five years away. It is a good statement.

At the beginning of 1950 most of us looked for a continuation of good business, but were inclined to be cautious in forecasting the latter part of the year. However, swiftly-moving events—particularly the implications of defense requirements—kept activity at an unexpectedly high level. As a result, our Bank in 1950, operating a greater number of branches than ever before, saw both its deposits and loans rise to new peaks and transacted more business in general than at any previous time in its history.

Unfortunately perhaps, but not unexpectedly, a record also was set by rising costs of operation. Despite this, however, earnings have been well maintained and after full provision for Bad and Doubtful Debts, and the usual contribution to the Pension Fund, stand at $2,560,692, up $30,722 from a year ago.

Before earnings are reduced to net profit they must bear the impact of taxes, both Dominion and Provincial, and of Depreciation. Taxes at $937,357 are $98,960 higher, while write-offs for Depreciation totalled $415,519 the full amount permitted for tax purposes.



HEAD OFFICE • TORONTO, CANADA

Distribution to Shareholders

Distribution to shareholders of $960,000 represents dividends of $1.40 plus a special bonus of 20c a share, on the total shareholders' equity, an actual yield for the year of slightly under 4½%. This is a modest return to the owners of any financial institution, particularly in a year when volume touched an all-time high, and it is worth mentioning that on the total funds employed by the Bank (depositors' and shareholders') our net earnings in 1950, after taxes, were under one-quarter of one per cent.

Our Paid-up Capital, Reserve Fund, and Profit and Loss Account now total $21,678,000, of which shareholders have actually paid in $10,074,000. The remainder, $11,604,000, reflects nearly a century of uninterrupted careful management and the prudent retention and reinvestment yearly of part of our earnings. It strongly reinforces the value of Bank of Toronto shares.

Total Assets

At $487,000,000, up $28,000,000 from last year, are an all-time record. The ratio of liquid assets to all liabilities to the public is 66.84 per cent.

Securities

At $209,000,000 are $15,000,000 lower, reflecting our larger volume of loans. All are high grade, over 87% consisting of Dominion and Provincial bonds.

Call Loans

$12,500,000, are up $5,500,000. The increase to a considerable extent represents loans to investment dealers against the recent issue of Canadian Government bonds.

Current Loans and Discounts

This year show a notable growth, and at $165,000,000 are up $28,000,000 over 1949. This is particularly gratifying, not only because loans are the most important source of bank revenue, but since the increase indicates the firm part we are playing in the expansion, welfare, and general progress of our country.

Deposits

$460,000,000 also show an extremely satisfactory gain. Non-interest-bearing are up $7,000,000, interest-bearing $9,000,000, and deposits from other banks $9,000,000.

Acceptances and Letters of Credit Outstanding

$4,500,000, representing chiefly our guarantees outstanding for payment of merchandise imported by our customers, are $1,500,000 higher.

Branches and Bank Premises

We have now $5,996,000 invested in bank premises, an increase over last year of $488,000. As you have already been told, thirteen new offices were opened in 1950. We feel that they have been well chosen and will prove themselves worthwhile additions to our growing branch system. This brings our total to 224, an increase of 50 since the end of the war. Others are in prospect, and Quebec City and Orillia are two that can be mentioned.

Our program of necessary construction replacement and renovation goes on steadily, but much remains to be done. Our new main office at Victoria will be completed this year, and a start has been made on the erection of our important new building in Winnipeg. We will soon complete renovations to our Montreal main office, which will make these premises a credit to the substantial business this branch transacts. Plans also are under way for a new building at Windsor which will be started this spring.

We will not be content until we can offer our customers nothing less than full banking facilities at all points of importance in Canada where they may need our services. However, though very substantial expansion is ahead, our aim at all times must be to keep our investment in premises to what we can consider a proper ratio to our shareholders' funds.

Other factors to consider in relation to branch expansion are the earnings, or otherwise, of new branches and the necessary demands on personnel. Within a reasonable time all new establishments must be expected to sustain themselves, and the training and development of staff, which rapid expansion requires, cannot be underestimated.

Inspections

The Bank's inspectors have, during the year, inspected all branches with the exception of those opened in the last months of our year, and the shareholders' auditors have made the customary audit of cash, securities, and loans at Head Office and the principal branches at Toronto, Montreal, Winnipeg, and Vancouver.

The Bank Staff

We now have 2,381 on the staff of The Bank of Toronto, and of these 1,033 are women. All have done excellent work throughout the year, and they have our sincere thanks. To staff which have face-to-face contact with customers, we have a special word because it is on the reputation for friendliness and service they maintain that so much of our success depends. To many valued customers, they alone represent the Bank.

During the year, we have given tangible evidence of our appreciation in substantial salary increases and bonuses. Not so long ago there was a tendency to look upon banking as a particularly poorly-paid profession. However, in recent years there has been a decided improvement, and today it offers a lifetime vocation, pleasant in associations, and agreeable in working conditions. The individual who has made progress in banking should enjoy a high standing in his community. Salaries, of course, vary with both experience and ability, but are as good, or better, than those found in comparable work; then at the end of a useful career there is security under pension rights earned with service.

The Bank of Toronto is ever on the lookout for young people who are considering a career in banking, and we no longer confine ourselves to those who of necessity must start at the bottom rung. College graduates or those who have special qualifications can expect special consideration.

Customers and Shareholders

Our thanks go also to our customers and shareholders on whose loyalty and support we depend so fully. Our shareholders now number 1,722, an increase of 111 during the year, and in saying this I am glad to think it is one of the most pleasing increases reported today.

THE BANK OF TORONTO

Addresses Made at the Annual Meeting of Shareholders

The Royal Bank of Canada

President Proposes Four-point Programme to Fight Inflation
Urges Voluntary Curb on Private and Government Spending
To Speed Re-armament and Preserve Canada's Free Economy

Physical Controls Useful But They Are No Substitute For a Real Attack on Inflation; Canadian Capital Must Play Bigger Part in Development of Our Resources; Government Needs to Cut Its Non-military Expenditures

Canada Can Become a Model of Free Economy in Action

General Manager Reports Total Assets Have Reached Record High Level of $2,497,376,000; Deposit Accounts Now Number Over Two Million — Reserve Fund Increased to $50,000,000 — Royal Bank Branches in Foreign Countries Provide Vital Services to Traders — Offer Opportunities for Young Canadians in International Banking

PRESIDENT'S ADDRESS

Mr. Muir, the President, in moving the adoption of the Directors' Report, said:

Before going on with the usual proceedings, I should like to record our deep regret in the loss by death during the year of our Director, Mr. Howard P. Robinson.

I have also to tell you that Mr. John Burns, acting upon the advice of his physicians, has asked that his name be not included in the list of Directors put forward for re-election. Mr. Arthur Cross has expressed a similar wish for the reason that he has disassociated himself to a degree from the active management phase of his business activities. Mr. Burns has been a director of the bank since 1937 and Mr. Cross since 1942 and their close friendship with the Executive of the bank and with many of its Directors far antedates that time. We shall miss not only the services and counsel of these gentlemen but our pleasant association with them.

We shall ask you to elect a new Director, Mr. Lionel A. Forsyth, K.C.

The eighty-first Annual Report and Balance Sheet of the bank are before you, and, according to our custom, the General Manager will review these in detail. These statements again reveal a marked expansion in the business of your bank and will, I am sure, be gratifying to you.

Now is the accepted time each year to take stock of where we stand in the light of the past year's events and to try to probe as best we can where we may or ought to be going in the year that lies ahead.

Today, the object of this review of events and estimate of possibilities is to set forth the prospects for the free economy in 1951. I shall consider, first, the steps we have made towards the free economy in 1950; second, the immediate threat to the free economy from war-induced inflation and the policy indicated if we would preserve efficiency and freedom; and, third, the prospects of freedom with special reference to our own Canadian economy.

EFFECTS OF DEVALUATION

In September and October, 1949, as I mentioned last year, the first break was made in the log-jam of post-war exchange controls with the 30.5 per cent devaluation of sterling, the mass devaluations of other soft currencies, and the 9.1 per cent devaluation of the Canadian dollar. This step to meet the dollar shortage was taken with some reluctance; but the effect of devaluation, long obscure to many, has now become evident to all.

The sterling-area balance on current account with the dollar area changed from a deficit of $359 millions in the third quarter of 1949 to a deficit of only $31 millions in the fourth quarter; and there was continued improvement in 1950 as shown by a **surplus** of $407 millions during the first three quarters of 1950 as compared with a **deficit** of $1,321 millions for the same period of 1949.

Canada's trade balance with the United States also showed a marked improvement in the year following devaluation. In the first three quarters of 1950 she had a dollar deficit on U. S. trade of **only** $71.5 millions compared with a deficit of $432 millions for the same period of 1949.

Of course all this improvement cannot be traced to devaluation alone. Increased U. S. demand for sterling-area raw materials and foodstuffs followed the rise in American industrial activity in late 1949 and early 1950. This movement was intensified after June, 1950, by the events following the outbreak of war in Korea. But, with due allowance for these accidental factors, devaluation proved to be a powerful engine for economic readjustment.

Devaluation allowed the price system to work, but only in a limited way. There was no guarantee that the new exchange rates were the right ones: they were still fixed rates maintained by exchange control. The prospect in January, 1950, was a continuation of periods of so-called stable rates with recurring and drastic revisions downward or upward under the pressure of speculative capital flows. It was with this problem in mind that I urged a return to a free exchange market in my annual address of January, 1950, in the following words:

> ". . . we should let the market determine rates of exchange, as it did immediately after the first world war. This means free exchanges, except for government pegging against violent movements due to speculative capital flows. It means abandoning at least temporarily the rigid exchange parities established by the International Monetary Fund. We need not abandon the Fund Agreement; in fact, we may find it useful after the free exchange market has done its work."

By September, 1950, the flow of U. S. capital to Canada had become a flood. U. S. dollars poured into our reserves, greatly weakened our defences against inflation, and created instability and uncertainty, even in our foreign exchange position.

Under the International Monetary Fund Agreement these problems could be met only by raising the Canadian dollar to a higher value in terms of U. S. funds. But what the new rate **should** be was as deep a mystery in September, 1950, as it had been in September, 1949; and the penalties for making a mistake were far greater on the upward adjustment than they had been on the downward adjustment in September, 1949. Too low a rate would not stem the inward flow of speculative capital; too high a rate would reverse the capital flow, weaken the trade balance and force a humiliating return to a lower exchange rate.

VALUE OF FREE MARKET

Only the free market could determine the true rate.

Only the free market could bring to an end the unstable era in which rates were "stabilized" in a formal sense (at the fixed parities submitted to the International Monetary Fund), but were in fact at the mercy of speculative capital flight.

Only the free market could, as in olden time, enlist the speculator himself in the cause of economic stability.

These facts were apparently the main considerations that prompted the Canadian government to set the dollar free on September 30, 1950.

During the summer and fall of 1950 the spectacular flight to the Canadian dollar was matched by a similar flight to sterling, prompted again by improvement in the U. S. dollar trade balance and the prospect of a "sure thing" for speculators hold an undervalued currency for a rise.

There are, it is true, some special complications in Britain's case. For example, some part of the phenomenal gain in Britain's dollar reserves (from $1,425 millions in September, 1949, to $2,756 millions in September, 1950, to over $3 billions at the end of the year) must be earmarked against her obligations as banker to the sterling area; part must be earmarked for debts to non-sterling-area countries; and still another part must be earmarked as reserve against a potential drain of speculative capital should sterling be revalued.

Britain's sterling obligations alone, still amounting to about £3½ billions in 1950, dwarf her present dollar reserves; and hence, in Britain's case, I prefaced my last year's plea for a free exchange market with a recommendation that these sterling balances be settled in such a way as to remove "the greatest single threat to the stability of the pound."

But we must not assume that the return to a freely convertible pound, with its value determined in the free market, would have to mean an immediate rush by Britain's creditors to convert all her sterling debts into U. S. dollars. This would be the case only if there were a flight from the pound owing to the over-valuation of sterling. But overvaluation will **not** occur in a free market, and speculative capital in a free market will **not** be going all one way; only with controlled exchange rates do we find the phenomenon of a market in which there is no division of opinion and all traders become either bullish or bearish at one and the same time.

As a matter of fact, Britain now faces the same dilemma that Canada faced before the dollar was set free. And, as in Canada's case, there is no escape from Britain's dilemma so long as the pound is maintained at a fixed rate by the clumsy devices of exchange control.

The gradually brightening picture after the Second World War was cast in sudden shadow by the outbreak of war in Korea. The new inflationary problems, posed by that war and by the threat of war elsewhere, have caught our economy in a state of weakness and fatigue, owing to the effects of the long struggle with inflation since the end of the Second World War.

We no longer have that excess capacity in capital and manpower that made possible more guns and more butter in the early years of the last struggle. Full employment of men and resources is a symptom of economic strength in peacetime. It means however that any additional demands upon the economy can be met **only** by curtailing demand elsewhere. This means that the additional demand upon our economy arising out of rearmament **must** be met by cutting back our normal peacetime demand for capital and consumption goods.

COST OF REARMAMENT

This curtailment of peacetime demand is the cost of wartime rearmament. This cost cannot be postponed. It must be met at once. And the fundamental problem of war economics is to ensure that only the least essential part of peacetime demand is thus curtailed.

In this way we can reduce the dislocation of our economy caused by new armament expenditure. If we can reduce this dislocation we can increase the effectiveness of our war effort, and at the same time we can ensure that the freedom we aim to defend will in fact be preserved.

What part of peacetime demand can most economically be sacrificed to the needs of defence?

There are broadly three areas of demand in which cut-backs might conceivably be made. They are (1) the demand by consumers, especially for durable goods; (2) the demand by business for materials needed in the expansion of plant and equipment; and (3) the demand by government for non-military goods and services.

Further inflation can be avoided if the money value of increased armament is offset by the reduced demand by consumers, business, and government for non-military goods and services.

The reduction of non-military demand can be brought about by increased saving, increased taxes, and decreased government expenditure. All three methods involve reduced non-military expenditure or, in the broadest sense of the word, increased saving to offset increased national expenditure for defence.

Increased saving in this sense may be voluntary, that is, it may result from patriotic restraint or from the hope of reward. Or increased saving may be involuntary, that is it may be imposed on the community through decreased payments by government to the general public, increased payments (of taxes) by the general public to government, or increased physical controls by government over expenditure by the general public on goods and services.

I have listed these sources of increased saving in the order of preference which a free society would be best advised to accept. Voluntary saving through patriotic restraint is morally and economically preferable to saving induced by the hope of reward. But once the resources of patriotic restraint have been exhausted, reward is better than punishment. Saving induced by the hope of reward, through interest income or through the appreciation of capital values, may check demand in the present by postponing expenditure until a better day, when consumption goods and services are more abundant. This increase in the inducement to save is the proper function of short- and long-term interest rate policy, and must rely on certain devices of monetary credit and public-debt policy and on reduced government expenditure.

Once the limits of voluntary saving have been reached we are forced to rely on increased taxes, and on physical controls. Physical controls may operate indirectly through credit curbs or directly through government allocation of scarce materials combined in various degrees with price control and rationing.

CONTROLS NOT ENOUGH

These physical controls are placed lowest on the scale because they are not, properly speaking, deflationary at all. From bitter experience after the last war, we know that physical controls conceal but do not directly reduce inflationary pressure. They attack the symptoms and leave the disease itself unchecked. Their proper use is to divert demand from scarce to relatively less scarce goods and services; or, in some cases, to provide a stop-gap until fiscal and monetary policy can reduce inflationary pressure through direct action. Physical controls have their use, especially in total war, but they are no substitute for devices that **really** attack inflation.

So far government policy, intended directly or indirectly to reduce inflationary pressure, has been confined to the following: (1) the return to a free exchange market, and the removal of import restrictions; (2) the stepped-up campaign to sell Canada savings bonds; (3) the shift to a higher interest-rate structure; (4) the controls on instalment credit and on the use of steel; and (5) the increased excise taxes on non-essentials.

But, in this gathering storm, our main concern must be with **future** policy rather than with the comparatively mild devices so far adopted. In the struggle against inflation, the most effective weapons are to be found in the realm of monetary and fiscal policy, to which I now turn.

On October 16th the Bank of Canada raised the bank rate from 1½ to 2 per cent. In the absence of any present need for the chartered banks to borrow from the Central Bank, the importance of this action must be confined to its psychological effect. This psychological effect, though important in itself, was further buttressed by the Bank's announcement that it, and presumably the government as well, had changed their views regarding the low-interest-rate policy maintained throughout the war and during the post-war period.

We have already seen some hardening of short- and long-term rates. But much depends upon the vigor with which the new policy is pursued.

The problem of the right interest rate policy is a complex one; and we may expect a careful weighing of many considerations by government policy-makers. It has been argued, for example, that higher rates are ineffective defences against inflation because any moderate increase in rates will serve neither to induce savers to save more, nor to force borrowers to borrow less.

But, in appraising the usefulness of higher interest rates in the fight against inflation, we must not ignore their very important position in the machinery of monetary and credit control by the Central Bank.

As taxes begin to decrease the money supply (that is, as they begin to achieve their purpose), a low-interest-rate policy forces more money back into the market, as holders of government securities unload on the Central Bank at the pegged price. In other words, if the Central Bank is required to maintain low interest rates by pegging the price of government bonds the whole effort to fight inflation may be wasted.

The tendency towards higher rates may be only an encouraging symptom that monetary and fiscal operations against inflation are enjoying some measure of success. But the maintenance of low rates in the face of this tendency means that initial success may be turned into failure. Apart altogether, therefore, from the direct effect of higher rates in encouraging saving or discouraging borrowing, the effectiveness of fiscal and monetary policy may depend in no small measure on allowing interest rates to rise.

Aside from the order of December 2, 1950, setting up priorities in steel, Canada is still far behind the United States in the imposition of physical controls. But physical controls, as I have said, should be used for purposes other than the direct attack upon inflation.

INCOME TAXES

The most powerful weapon in the fight against inflation is generally supposed to be a stiff increase in the income tax. But the test of efficiency must be that any income tax increases shall penalize spending and reward saving.

Such a criterion would rule out drastic increases in corporate taxes, including an excess profits tax. Extremely high corporate taxes, especially excess profits taxes, tend to encourage waste in management; and, in addition, excess profits taxes are arbitrary in their impact and inflationary in their final effect.

The personal income tax is itself a blunt instrument that may hit spenders and savers alike; nevertheless it may prove to be the only weapon with sufficient power to check spending, even though in the process some saving is hit as well.

To minimize these faults, and to ensure fairness, I would suggest that any increase in income tax burdens should recognize: (1) that an effective attack upon inflationary spending can only be made by broadening the tax base through lower personal exemptions; (2) that equity demands the vigorous reduction of income tax evasion, now all too apparent outside the fixed wage and salary group; (3) that equity and efficiency alike demand the exemption from income tax, wherever possible, of the bona fide saving of the public. In its simplest form, this might include the limited exemption of insurance premiums and of net purchases of savings bonds over the year.

I am aware that to implement the third suggestion may be work for a genius in political and social invention; but, if so, we should be looking for him. Otherwise, as tax rates rise, the blunt instrument of the income tax may become a dangerous and perverse weapon that penalizes saving even more than it penalizes spending.

The failure to exempt saving when income taxes are very high will not only reduce their power to prevent inflation in the short run, but may in the long run prove a positive danger to democracy itself. The extremes of "left" and "right" in the world today are mediated in the great democracies by a strong middle class. It would be a tragedy indeed if democracy should perish because, in the supposed interest of its own defence, it liquidated this guardian of democratic institutions.

TO FIGHT INFLATION

The suggestions made in this appraisal of ways to fight inflation would, I think, be broadly acceptable to a majority of citizens, whether inside or outside the government. I would summarize them as follows:

1) Voluntary saving through the patriotic restraint of consumption should be encouraged, by the precept and example of government, business, and private citizens; i.e., through less non-military expenditure by government, less capital expansion by business, and less consumption (especially on credit) on the part of private citizens.
2) Voluntary saving should be encouraged, borrowing discouraged, and fiscal policy made effective by allowing a continued movement towards higher interest rates.

(President's address continued on next page.)

HIGHER INCOME TAXES COULD BE DOUBLE EDGED SWORD

"The test of efficiency must be that any income tax increases shall penalize spending and reward saving." . . . Mr. Muir

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"TRADITIONAL FRIENDLINESS" NOTED IN TRIBUTE TO STAFF

In extending "thanks for a job well done," the General Manager said:

The gratifying figures we have before us today are due to a very large degree to the efficiency, enthusiasm, and aggressiveness of the members of the staff from junior clerk up, and it is fitting that I should say to them a formal but very sincere "thanks" for a job well done.

Each of the years we pass through seems to be a singular year from some point of view. I suppose in most bankers' minds 1950 will go down in history as the year when foreign exchange rates in Canada were freed of control. It was a real testing time in bank offices, arranging overnight for competitive trading in foreign exchange. For years — ever since September 15, 1939 — foreign exchange rates had been fixed but from September 30, 1950, the rates have again been fluctuating with the natural forces of supply and demand. This important changeover has been carried through without incident or delay, reflecting great credit on all the members of our staff charged with the responsibility of handling this important phase of our business. While we still have with us the burden of foreign exchange control, the freeing of the rates will, I trust, prove to be the important preliminary move to the eventual complete elimination of these regulations.

In the ordinary day-to-day business of the bank our staff continued the happy tradition of friendliness always associated with The Royal Bank of Canada. It warms a General Manager's heart to receive a letter from a modest depositor referring to courtesy in our branch offices in these words: "The kindliness has amazed me. It was a definite change from what I had observed elsewhere."

And so, for their friendly conduct of business as well as for their readiness to rise and meet emergencies, I express the thanks of management to our almost 12,000 staff members and as well to those other employees of the bank who contribute so much to the efficiency of the organization.

I can assure the Directors and shareholders that morale is high, and that whatever new crises come upon us in the now-opening year, your staff will measure up.

HIGHLIGHTS

MR. MUIR SAID:

We no longer have that excess capacity in capital and manpower that made possible more guns, and more butter in the early years of the last struggle. Any additional demands upon the economy can be met only by curtailing demand elsewhere. This means that the additional demand upon our economy arising out of rearmament must be met by cutting back our normal peacetime demand for capital and consumption goods. This curtailment of peacetime demand is the cost of wartime rearmament. This cost cannot be postponed. It must be met at once.

JAMES MUIR
President
The Royal Bank of Canada

There are broadly three areas of demand in which cutbacks might conceivably be made. They are: (1) the demand by consumers especially for durable goods; (2) the demand by business for materials needed in the expansion of plant and equipment; and (3) the demand by government for non-military goods and services. Further inflation can be avoided if the money value of increased armament is offset by the reduced demand by consumers, business, and government for non-military goods and services.

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Once the limits of voluntary saving have been reached we are forced to rely on increased taxes, and on physical controls. Physical controls may operate indirectly through credit curbs or directly through government allocation of scarce materials combined in various degrees with price control and rationing.

These physical controls are not, properly speaking, deflationary at all. From bitter experience after the last war, we know that physical controls conceal but do not directly reduce inflationary pressure. They attack the symptoms and leave the disease itself unchecked. Their proper use is to divert demand from scarce to relatively less scarce goods and services; or, in some cases, to provide a stop-gap until fiscal and monetary policy can reduce inflationary pressure through direct action. Physical controls have their use, especially in total war, but they are no substitute for devices that really attack inflation.

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There are certain prerequisites to a free economy: some nations have them and some do not.

First, the country must have rich and diversified natural resources. Socialism and planned economy are the badge of national poverty not of national wealth.

Second, the citizens of that country must have "great expectations," together with the energy and risk-taking spirit that will make their expectations come true.

Canada has these prerequisites: the first in abundant degree, the second in apparently increasing degree as the years pass.

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The failure to exempt savings when income taxes are very high will not only reduce their power to prevent inflation in the short run; but may in the long run prove a positive danger to democracy itself. The extremes of "left" and "right" in the world today are mediated in the great democracies by a strong middle class. It would be a tragedy indeed if democracy should perish because, in the supposed interest of its own defence, it liquidated this guardian of democratic institutions.

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I am sure we have all heard it said at one time or another that American capital is taking over our economy. My reply is simply that, if this is true, then we have no one but ourselves to blame. If Canadian capital is not playing a large enough part in developing our resources and expanding our industry the reason must be not that Canadian capital is too meagre for the job, but that, in spite of the high stakes, Canadian capital refuses to take the risk. From here on let us see to it that our vision, our energy and our risk taking spirit are not found wanting. Actually a new spirit of enterprise is abroad in the land — personally I have great faith in it. I believe this is the spirit appropriate to the true Canadian character.

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MR. ATKINSON SAID:

A noteworthy feature of this year's report is the quite substantial increase in total assets which have reached $2,497,376,000, an increase of $162,391,000 to a new high in the history of this or any other Canadian Bank. The increase is a very gratifying one indeed and, while the attainment of this total is not necessarily a goal in itself, the growth of our figures presumably is to some degree at least a reflection of the fact that the bank is held in good repute and is rendering the services which Canadians have a right to expect.

The total deposits of the bank are reported at $2,337,503,000, which is an increase of $145,363,000 as compared with one year ago. There has been a very gratifying increase in the number of our depositors. The number of accounts currently on our books exceeds 2,000,000, of which practically 1,900,000 are in Canada. Since January 1, 1945, the number of accounts on our books in Canada has increased by about 600,000 or 46%.

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During the year 15 new branch offices were completed, in addition to which rather extensive renovations were made to 63 other offices. Work was commenced on an additional 14 new branch buildings and 19 extensive alteration projects which work had not been completed by the year's end.

We continue to recognize the need for banking service in new communities and in established areas where expansion has occurred. During the past year, in keeping with this policy, we have opened 24 full-time branches and 1 sub-branch. We are now operating 653 branches and 37 sub-branches in Canada.

T. H. ATKINSON
General Manager
The Royal Bank of Canada

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With our chain now numbering 61 offices outside of Canada and with officers who have been trained on the ground, speak the language, and are fully conversant with local requirements, we are in an unrivaled position to assist Canadian exporters and importers and all those directly interested in the development of foreign commerce.

Through our combined facilities abroad and at home we have been instrumental in assisting a number of companies in becoming established in Canada. Naturally your bank benefits directly through such associations but we have an additional satisfaction, and justifiably, we believe, in feeling that our organization continues to serve Canada at home and abroad in a special and worthwhile fashion.

GENERAL MANAGER'S ADDRESS

T. H. Atkinson, General Manager, referred to the financial statement as follows:

It has long been the custom for the remarks of the General Manager to cover the more important items in the Balance Sheet prepared at the close of the year. The Annual Report and Balance Sheet which is before you today is the 81st which this bank has issued. A noteworthy feature of this year's report is the quite substantial increase in total assets which have reached $2,497,376,000, an increase of $162,391,000 to a new high in the history of this or any other Canadian bank. The increase is a very gratifying one indeed and, while the attainment of this total is not necessarily a goal in itself, the growth of our figures presumably is to some degree at least a reflection of the fact that the bank is held in good repute and is rendering the services which Canadians have a right to expect. An examination of the Balance Sheet will disclose that cash and its equivalent amount to $471,113,000 and, together with quickly realizable assets, total $1,717,765,000 which is equivalent to 71.26% of our total liabilities to the public.

Call loans in Canada show an increase of $22,960,000 to $52,539,000. The increase reflects primarily recent Dominion Government financing. Other current loans and discounts in Canada are substantially higher at $555,160,000 which is an increase of $83,727,000 over last year. At the same time letters of credit have also increased by $17,647,000. These increases are due not only to a considerably higher tempo of business but to the higher price level which necessitates a greater amount of dollars to handle the same number of units of merchandise when compared to previous years.

DEPOSITS

The total deposits of the bank are reported at $2,337,503,000, which is an increase of $145,363,000 as compared with one year ago. There has been a very gratifying increase in the number of our depositors. The number of accounts currently on our books exceeds 2,000,000 of which practically 1,900,000 are in Canada. Since January 1, 1945, the number of accounts on our books in Canada has increased by about 600,000 or 46%.

EARNINGS

The greater volume of business handled by the bank during the year has been reflected in an increase of $926,895 in profits which I feel sure you will find satisfactory. As you will observe, we are able to report profits of $11,845,138 after full provision has been made for all debts regarded as doubtful of collection. After provision has been made for Dominion and Provincial taxes of $4,012,000 there remains $7,833,138. There has been deducted $1,273,413 for normal depreciation on bank premises, leaving $6,559,725 for disposal. Dividends to shareholders required 3½ million dollars and the remaining amount, $3,059,725, has been transferred to Profit & Loss Account which, with the amount carried forward from last year, resulted in a total in this account of $6,920,039. You will note that of this amount $6,000,000 has been transferred and added to our Reserve Fund, bringing the latter up to a figure of $50 million. The balance remaining in Profit & Loss Account, i.e. $920,039, has been carried forward to next year.

BANK PREMISES

Following the war years when it was impossible to undertake normal building and maintenance work we outlined a programme to cover several years with a view to placing our premises in proper shape. This programme followed its normal course during the year when 15 new branch offices were completed, in addition to which rather extensive renovations were made to 63 other offices. During the year work was commenced on an additional 14 new branch buildings and 19 extensive alteration projects which work had not been completed by the year's end. Expanding business generally has resulted in overcrowding in quite a few offices but these difficulties are gradually being overcome. While our programme is not yet entirely complete, considerable progress has been made and, generally speaking, our branch office situation is now reasonably satisfactory.

We continue to recognize the need for banking service in new communities and in established areas where expansion has occurred. During the past year, in keeping with this policy, we have opened 24 full-time branches and 1 sub-branch. We are now operating 653 branches and 37 sub-branches in Canada.

A further increase is shown during the year in the number of shareholders of the bank, which now total 15,822; this wider distribution, which is gratifying, represents an increase of over 30% in the total number of shareholders since the par value of the shares was reduced in 1944 from $100 to $10.00.

ACTIVITIES ABROAD

It is very gratifying to be able to report that our branches in Central and South America, the West Indies and at other points outside Canada, have experienced another year of satisfactory operations. Generally speaking economic conditions in the countries where we are represented have shown improvement, and the overall earnings of our branches have been excellent. Last year I mentioned that if the prices for their primary export products remained at satisfactory levels the exchange position and purchasing power of these countries should improve, and we, of course, are always directly interested in the exchange resources of the countries in which we operate, because with few exceptions our profits are converted at the source into U. S. dollars and transferred to Head Office in that currency. The prediction made last year was more than fulfilled. Just to cite a few examples: Brazil and Colombia have benefitted by the higher prices for coffee, their most important export product, and the international situation which developed after mid-year created a keen demand for sugar at favourable prices with the result that Cuba cleared all stocks notwithstanding that in 1950 that country had harvested its third largest crop on record. It is unnecessary to dwell at length at this juncture on economic developments in the various countries as the customary review of conditions in Canada and in the countries where we operate abroad has been prepared and will accompany the printed report of the proceedings of this meeting.

Brief comment on the general character of our business abroad may be of interest. Naturally we have important relations with national concerns in the various countries where we operate but we also transact a sizeable volume of business with companies of British and American origin established in those countries. Our latest records show that our branches have over 3,000 accounts with these latter companies. Connections abroad with companies of international character have also been of material assistance in extending our business relations in Canada with those companies who have established subsidiaries or branches in this country.

Interchange of goods between Canada and countries to the South where we are represented has expanded tremendously since just prior to World War II, and prospects for further profitable growth of our commerce with this area have not been exhausted. International trade is of vital importance to Canada and our Government offers practical encouragement in its efforts to promote sound expansion of this phase of Canadian commercial activities. In addition to the representation Canada has in the U. S. A., our Government now has ambassadors in Argentina, Brazil, Chile, Cuba, Mexico and Peru, and special trade and other representatives at all important points, who are contributing valuable services to the development of commercial relations in general. An important and necessary complement to this effort are the banking services and first-hand knowledge which our branches abroad can and do contribute. With our chain now numbering 61 offices outside of

(General Manager's address continued on next page.)

How Do You Find Right Person for Factory, Office Job?

Here Are Points To Be Watched In Ads and First Interviews

There's a squeeze ahead in manpower (see p. 17). It may affect your factory—your office—your store. Here's a practical guide to employment practices—it can help solve some of your problems—promote efficiency in your personnel office and keep your staff up to normal.

Where do you look for new employees? What do you look for in interviewing applicants? How should an employment manager use the information he obtains? These questions were discussed at a recent meeting of the Toronto chapter of National Office Management Association by C. J. Apps, manager of mail order adjusting office of Robert Simpson Co. Here is a digest.

By C. J. APPS

Nothing should be overlooked in an effort to make certain that the right person is chosen for the right job.

Advertisements in periodicals are the easiest, most effective and most common way of obtaining new employees; information in the advertisement must be accurate.

Private interviews at universities and schools can be arranged through the Vocational Guidance officers. It is wise to do this in the latter part of December or the early part of January, to see the better graduates before they have definitely made up their minds.

One danger in this practice that should be guarded against is that present employees must never get the impression that university students are being given preference for the better positions. Every opportunity must be given those already employed, to have an opportunity of filling the more responsible positions when an opening occurs. Outside employees should only be brought in when there are not enough employees already in the organization qualified to take over positions of higher responsibility. There is nothing more harmful to the morale of any company than the feeling that the better positions are always given to new employees many of whom have had little or no experience in the actual operation.

Business colleges, commercial and tech schools, trade schools are other valuable sources for prospective new employees. Personal contact with the men in charge of these educational institutes help in directing these graduates to your company.

Private contacts to some extent can help in individual cases.

Another source is through present employees. This applies particularly to part time or temporary workers who would like an opportunity, especially during the Christmas or Easter Seasons to earn additional money.

Radio advertising can be of help, usually taking the form of spot broadcasts at favorable times during the day. This source has not as yet acquired very great popularity and is only used when other means have been found inadequate.

The National Employment Service during the last few years has been increasing in importance as far as the selection of new employees is concerned.

The Personal Interview

The applicant should be interviewed carefully to find out his qualifications and if selected make certain that he is placed in a position where these qualifications can be used to the best advantage.

This interview is very important and the interviewer must be a highly qualified individual — pleasant, courteous, sincere, sympathetic and interested and be able to decide through his experience and knowledge whether the applicant is suitable to the job in mind. He should be an older person, because he can then command much more respect when talking to older applicants.

The interviewer must know the various jobs, their qualifications and rates of pay and be fully prepared to explain these in detail. He must also know company rules, procedures, and employees benefits and be able to enlarge on them. Any man or woman applying for a position is on a very serious mission; in many cases he is out of a job, he needs a job and is applying because he knows there is an opening and he wants that job if he finds it suitable. This being the case, no applicant should ever be brushed off or treated lightly and should always be looked after in such a way that whether he is successful in obtaining the position or not, he feels that he has been given a fair hearing.

Applicants should always be given the privilege of filling out an application, even if there is no opening at that particular time. The application should be kept on file as a valuable source of material for future openings.

The interviewer must try, with the material available, to fill the openings with people he thinks will do a good job.

Judging the Applicant

There are many ways in which he can augment his first impression of the applicant. Some of the most important being, the application itself, the neatness in which it is filled out and the completeness of the information it contains. The general appearance of the application may tell a story to the interviewer which can be of great help to him in deciding if the applicant is a suitable one. In many clerical positions clear handwriting is of great importance. Judging by the writing on the application the interviewer can determine whether it is good enough for the position in mind.

The address and marital status of the applicant can reveal a great deal as to his character. This coupled with the home environment can have a great bearing on the final decision. e.g. An applicant living in a rooming house in a more notorious section of town, separated from his wife, will probably make a poorer employee than an applicant who owns his own home and who is living happily with his wife and family.

Age and physical stature are important in some jobs. Handling heavy merchandise or doing heavy work of various kinds, require young men of robust health.

Pension benefits in many companies are such that older people can only be hired on a temporary basis. This in some cases seems unfair. However, if the company undertakes to pay a pension to their employees it is only right that the employee spend the better part of their working years working for that particular company. They feel, and quite rightly so, that if they hire a man, for example, over 50 years old that that particular person has spent most of his life working for someone else, that that someone should be at least partially responsible for looking after his retirement.

A glance at an applicant's educational background can tell the interviewer at once whether this particular person is qualified to fill the opening that is available.

His Work History

Probably the most important single section of any application is the work history of the applicant in question. They should always be filled out fully, giving dates and the reason for leaving one job to go to another.

Through experience it has been found that the person with a number of breaks in his work history does not prove to be as dependable an employee as one with continuous employment. Again, a person who has held many jobs from time to time is not to be expected to turn over a new leaf all at once. This new job may be just another entry in his work history in a very short time. The name and addresses of previous places of employment must be known as these are used as references. Reasons for leaving previous jobs can assist the interviewer to make up his mind whether to hire the person.

For specific positions, numerous tests have been provided which should only augment and not take the place of the interviewer's experience and common sense. Typing tests, shorthand tests, arithmetic tests, clerical tests and so on, can give a clear indication as to the applicant's qualifications along these particular lines and should be used for the positions that require this type of skill.

The competent interviewer experienced in the many ways of reading an application, talking and listening to the prospective employee can in a very short time form a pretty accurate impression of the applicant, enabling him to decide whether he can be fitted into the job or jobs that are available at the time. This is not enough and the prospective employee must not be definitely hired until the manager of the department in which he is to work has an opportunity to talk to him and decide for himself whether he wants the applicant or not. The interviewer's job is to weed out those he feels will not be acceptable and send down to the manager concerned the ones he thinks will be suitable leaving it to the manager of the department to make the final decision.

Checking After Hiring

Once the applicant is hired and started to work his previous employment should be checked. This could be done if time permitted before any decision is made. A short telephone call to a previous employer often is of great assistance. Some companies hire their new employees on a temporary basis only, until further references come in from other places of employment and are found to be satisfactory. References should always be sent on at least two or if necessary more places of previous employment. These references need not be long drawn out documents, but should consist of four or five pertinent questions such as length of employment, reason for leaving, honesty, if services satisfactory and whether company would re-employ.

If a reference comes back that is not altogether satisfactory, the manager of the department in which the employee works should be notified, so that he may be on the lookout for further symptoms of the same complaint. References that show absenteeism, lateness, laziness and things such as these can be checked to make certain that the same traits are showing up again. If on checking with the manager it is found that the employee is doing a good job, then these references should be overlooked and the applicant treated as though no poor references had been received. If on the other hand the same symptoms should begin to show the manager should take it upon himself to check the employee to try to correct whatever is wrong.

If a reference comes back saying that the employee was fired from his job because of dishonesty, a very careful investigation should be made to make certain that the reference is correct. This is one of the most difficult of all problems to deal with. If it happens to be in a business where it is quite easy to steal merchandise, then the employee should be very carefully watched and if necessary released. The employment manager is charged with the responsibility of hiring capable, efficient, honest workers and can not take the responsibility of knowingly placing a dishonest person in a position where it would be quite easy to be dishonest again. If on the other hand the employer owns his own business and hires a man who subsequently is shown to have been dishonest, he can take the chance because if he guesses wrongly, the only one hurt is himself. To supplement further references, reports can be obtained by outside agencies which can give a very detailed summary of previous employment, health habits, personal character, etc.

Many companies use these reports for people in positions of trust or where money is handled, so that everything possible is done to make certain that these employees are beyond suspicion. Regardless of any defects outside of dishonesty, the employee's work on the job should be the deciding factor as to his fitness to work in that particular position.

Training New Employees

It is the interviewer's job to try to fill the openings that are available with the best people, but once these selections are made then it is the trainer's responsibility to sell the position and the company to the new employee. With this in view many companies have introduced a comprehensive training program.

The Royal Bank

PRESIDENT'S ADDRESS

(Continued)

3) Taxes required to prevent inflation should penalize consumption, and reward saving, whether through direct taxes on consumption or through income taxes that exempt to some degree the bona fide saving of the public.

4) Direct controls, especially in the form of price control and rationing, should be measures of the last resort, and should be treated as stop-gap devices, not as substitutes for a true anti-inflationary policy.

The importance of choosing the right kind of policy to combat inflation is hard to overestimate. But it is important also that we should not make our problems bigger than it need be, by a disproportionate expansion of military expenditures. The allocation of armament expenditure is a job for military experts; but the overall-size of the defence programme, like war itself, is, as Clemenceau once said, too important a matter to be left to the generals.

Perhaps we should not ignore the possibility that, having failed to realize their hopes of capitalist collapse through post-war depression, the communists are now trying to engineer capitalist collapse through the inflationary pressure of a continuous armaments boom. But once the required amount of armaments expansion has been determined, the inflationary problem created by that expansion must somehow be met.

As a means to this end I should like once more to emphasize the moral and economic obligation of democratic governments to maintain ordinary expenditures at the lowest possible level. If democratic governments fail to meet this obligation, they will in effect be giving a measure of aid and comfort to the enemy. At this stage, the most important weapon in the whole arsenal of war controls is the control of ordinary government expenditure.

So important is the issue that, for support and guidance in meeting these responsibilities, democratic governments might think about setting up advisory committees consisting of governors of Central Banks, representatives of industry, finance, and labor and senior civil servants to review expenditures and advise on possible economies. The functions of these committees should be confined to restrictive action with no power to suggest new expenditures or the increase of those already proposed.

Emphatically, the price of our safety is not only the expenditure of vast sums provided by savings and taxes, but eternal vigilance over the uses to which these funds are put. A major defence effort has such an impact upon our economic resources and our standard of living that a democratic government would be guilty of criminal negligence if it did not do all it could to preserve the free economy by confining its ordinary expenditures to the absolute minimum.

CANADA'S FREE ECONOMY

It is with some relief that I turn now from the menace of war, and the austere problems of defence, to a longer view of Canada's future as a free economy. In a peaceful world, or even in the mixed war and peace economy of the past few years, Canada has a remarkable opportunity to grow and prosper by adhering to the principles of the free economy.

There are certain prerequisites to a free economy; some nations have them and some do not.

First, the country must have rich and diversified natural resources. **Socialism and planned economy are the badge of national poverty not of national wealth.**

Second, the citizens of that country must have "great expectations," together with the energy and risk-taking spirit that will make their expectations come true.

Canada has these prerequisites: the first in abundant degree, the second in apparently increasing degree as the years pass.

It is true of course that Canada's reputation, at least among some Canadians, is that we produce stolid and unimaginative citizens. I think that even these critics must have noticed much evidence to the contrary in recent years. Nevertheless, the critics have a case.

For example, I am sure we have all heard it said at one time or another that American capital is taking over our economy. My reply is simply that, if this is true, then we have no one to blame but ourselves. If Canadian capital is not playing a large enough part in developing our resources and expanding our industry the reason must be not that Canadian capital is too meagre for the job, but that, in spite of the high stakes, Canadian capital refuses to take the risk. From here on let us see to it that our vision, our energy and our risk-taking spirit are not found wanting.

HOW TO FIGHT INFLATION

Royal Bank President Offers 4-Point Programme

"The suggestions made in this appraisal of ways to fight inflation would, I think, be broadly acceptable to a majority of citizens, whether inside or outside the government." . . . . Mr. Muir.

1) **Voluntary saving through the patriotic restraint of consumption should be encouraged, by the precept and example of government, business, and private citizens; i.e., through less non-military expenditure by government, less capital expansion by business, and less consumption (especially on credit) on the part of private citizens.**
2) **Voluntary saving should be encouraged, borrowing discouraged, and fiscal policy made effective by allowing a continued movement towards higher interest rates.**
3) **Taxes required to prevent inflation should penalize consumption, and reward saving, whether through direct taxes on consumption or through income taxes that exempt to some degree the bona fide saving of the public.**
4) **Direct controls, especially in the form of price control and rationing, should be measures of the last resort, and should be treated as stop-gap devices, not as substitutes for a true anti-inflationary policy.**

Perhaps we should not ignore the possibility that, having failed to realize their hopes of capitalist collapse through post-war depression, the communists are now trying to engineer capitalist collapse through the inflationary pressure of a continuous armaments boom. But once the required amount of armaments expansion has been determined, the inflationary problem created by that expansion must somehow be met.

Actually a new spirit of enterprise is abroad in the land — personally I have great faith in it. I believe this is the spirit appropriate to the true Canadian character.

In the short run, this spirit of enterprise has been greatly encouraged by the government's lead in freeing the dollar, by the tentative movement towards free interest rates, and by the removal of import restrictions on January 1st of this year.

But we cannot stop here. Barring the need to return to a total-war footing, government and private citizens should cooperate.

First, to free interest rates, at least to the extent required to make fiscal and monetary policy effective and to avoid the need for many direct controls otherwise incident to inflation.

Second, to rehabilitate monetary (or Central Bank) policy as opposed to the fiscal substitutes for sound monetary policy that are the inevitable results of cheap money.

Third, as soon as possible to remove controls over the international movement of capital, relying on the free exchange market to exert the necessary control.

Fourth, to accept any controls necessary for the short-run requirements of defence only after safeguards have been provided for the automatic return to the free market at the end of the emergency period.

These immediate steps in general economic policy, along with the specific anti-inflationary devices already mentioned, should see Canada through her present danger. These measures should ensure that she will be ready, when the time comes, to exploit to the full her tremendous potential for economic development. It may not be too much to hope that Canada may become, as it were, a working model of the free economy in action, and a constant reminder to the world at large that the road to economic freedom is also the shortest and safest road to social progress.

GENERAL MANAGER'S ADDRESS

(Continued)

Canada and with officers who have been trained on the ground, speak the language, and are fully conversant with local requirements, we are in an unrivaled position to assist Canadian exporters and importers and all those directly interested in the development of foreign commerce. Recent reports released by the Department of Trade and Commerce disclose that nearly 200 new manufacturing firms of foreign origin have been established in Canada during the period 1945-50 inclusive. 147 of these have their head offices in the United States, 34 in the United Kingdom, and 16 in other foreign countries. Through our combined facilities abroad and at home we have been instrumental in assisting a number of these companies in becoming established in Canada. Naturally your bank benefits directly through such associations but we have an additional satisfaction, and justifiably, we believe, in feeling that our organization continues to serve Canada at home and abroad in a special and worthwhile fashion. One last comment before I pass on to other phases of my report. Over the years the foreign service of the bank has offered excellent opportunities to young Canadians who have desired to make a career of international banking. Such opportunities still exist for young men of courage who have the background and preparation required to qualify for important posts in our foreign network of branches, and from within our Canadian organization young men who have interested themselves in the international phase of banking through study, etc., constitute the group from which our selections are made.

STAFF

The gratifying figures we have before us today are due to a very large degree to the efficiency, enthusiasm, and aggressiveness of the members of the staff from junior clerk up, and it is fitting that I should say to them a formal but very sincere "thanks" for a job well done.

Each of the years we pass through seems to be a singular year from some point of view. I suppose in most bankers' minds 1950 will go down in history as the year when foreign exchange rates in Canada were freed of control. It was a real testing time in bank offices, arranging overnight for competitive trading in foreign exchange. For years — ever since September 15, 1939 — foreign exchange rates had been fixed but from September 30, 1950, the rates have again been fluctuating with the natural forces of supply and demand. This important changeover has been carried through without incident or delay, reflecting great credit on all the members of our staff charged with the responsibility of handling this important phase of our business. While we still have with us the burden of foreign exchange control, the freeing of the rates will, I trust, prove to be the important preliminary move to the eventual complete elimination of these regulations.

In the ordinary day-to-day business of the bank our staff continued the happy tradition of friendliness always associated with The Royal Bank of Canada. It warms a General Manager's heart to receive a letter from a modest depositor referring to courtesy in our branch offices in these words: "The kindliness has amazed me. It was a definite change from what I had observed elsewhere."

And so, for their friendly conduct of business as well as for their readiness to rise and meet emergencies, I express the thanks of management to our almost 12,000 staff members and as well to those other employees of the bank who contribute so much to the efficiency of the organization.

I can assure the Directors and shareholders that morale is high, and that whatever new crises come upon us in the now-opening year, your staff will measure up.

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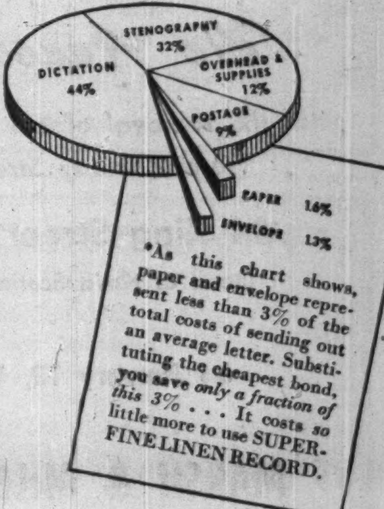

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   (Business in Force $111,197,174.)
2. Marked increase in assets, comprising well diversified investments of highest grade, and rise in average rate of interest to 4.16% for the year.
   (Total assets $22,385,921.)
3. Substantial increase in premium receipts, interest from investments, and other income.
   (Total receipts for year $4,121,108.)
4. Increased payments to policyholders and dependents, including death claims, dividends and other benefits.
   (Paid during year $1,299,314.)

The Company maintains centrally located branch offices in principal cities across Canada from coast to coast, through which, alert, courteous and well-informed representatives eagerly serve all policyholders. These facilities are offered to any and all persons wishing information of any kind with respect to life insurance matters.

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Every policyowner is invited to attend the annual meeting of the Association which will be held at Head Office, 105 Victoria Street, Toronto, on Tuesday, January 23rd at 11 a.m.

A copy of the full Annual Report will be mailed upon request.

Confederation Life Association

HEAD OFFICE TORONTO

Half Lawyers' Earnings Comes From Individuals

Canadian Bar Association and aided by a Carnegie grant, now makes public more of its findings about lawyers in Canada in 1948. The results were obtained from questionnaires circulated to lawyers across the country. The Post has already published summaries of two reports made from the studies. The one summarized here deals further with the income of lawyers. It was written by J. P. Nelligan, of Toronto, assistant director of the Survey.

Business provides about one half of the income of lawyers in Canada.

Gross income of the legal profession in 1948 amounted to $4.15 per capita. When business work is left out, spending on personal legal service by individuals amounted to about $2 per capita.

These figures are revealed in a report by the Survey of the Legal Profession in Canada.

The Survey found the profession's total gross income (before paying expenses) was $55.3 millions in 1948. Of this, 52% came from corporations, government departments and payments by businessmen for business matters, while the rest came from individuals for personal legal service. The percentage provided by business is roughly the same as in the U. S., where it is 48%.

Lawyers in different parts of the country rely more heavily than others on income from servicing business. In B. C. the business share is more than three quarters of all income; in Manitoba it is two thirds.

"What is surprising," says the report, "is the heavy dependence on individuals found in Ontario, where only 42% of the gross income comes from business enterprises." In Prince Edward Island law firms and lone lawyers got least—about one third of gross income—from business. Saskatchewan was the third province where business contributed less than half total law income.

Firms serving business make more money. In Ontario, the net income—after paying expenses—was $6,200 per lawyer in firms relying on business. Average income in firms serving individuals was only $3,500.

But practice serving business is mainly concentrated in larger firms. While firms of four or more lawyers depend mostly on business, the majority of firms in the country get three quarters or more of their income from individuals.

Net income of the whole profession in 1948 was $22.2 millions.

The report gives the percentages of their incomes which lawyers got from different types of law work. (For earlier survey figures on average incomes of specialists in different lines, see The Financial Post, Jan. 6.)

Work arising out of land transactions—conveyancing and mortgages—is the biggest earner for Canadian lawyers. They got 30% of their gross income from land work. Ontario lawyers relied most on it; they got 38% from it. Half of Ontario lawyers made more than 40% of their fees from it.

Comments the report: "To the extent that this heavy emphasis on real estate arises from the current housing boom, it does not speak well for the prospects of Ontario lawyers when the boom is over."

Estate work is the second largest income source. It is the first source in Saskatchewan, where it contributes $1 out of every $3 income. For all Canada in 1948, the report calculates, legal fees amounted to $35 for every $1,000 of taxable estate. Significance of this is only rough since tax figures cover only larger estates, the report points out. The prairie figure is about twice the $35 figure. P. E. I. and B. C. were slightly above average, Quebec and the Atlantic provinces slightly below. Most firms do some estate work.

Corporation practice comes third. Lawyers got 18% of their income from it. Only province showing much above this average was B. C., where law firms estimated they got more than one third of their money from it. Outside B. C., corporation work is rather highly concentrated in a comparatively small number of firms.

Litigation—for which lawyers are best known, the report notes—accounts for only 11% of total income or less than 50 cents for every person in the country. But nearly 10% of lawyers replying to survey questionnaires devoted more than half their time to litigation. Litigation revenue is highest per capita in Alberta, lowest in Saskatchewan and P. E. I.

Domestic relations provided only 5% of gross revenue across Canada. Alberta was highest, with 44 cents per capita.

Quebec law makes figures for that province under several headings not closely comparable with figures from other provinces.

The report has one finding which will surprise many laymen, at least. "In terms of dollars and cents alone, general university training seems to be of no value to lawyers," it says.

"When the group with no training was compared with those who have three or more years of (general) university study behind them, the average income for both groups was found to be almost identical. In Nova Scotia, New Brunswick, Ontario and Alberta, the man with no general university training has an income considerably higher than the man who has had three or more years. In Ontario, for example, the average income for those who lacked higher education of non-legal nature was $8,600, while those with three or more years averaged only $6,050."

The report doesn't give a comparision for lawyers with equal amounts of experience. It notes elsewhere that older lawyers with more experience have much higher incomes than younger lawyers (see The Post, Jan. 6). Perhaps the survey showed (this latest is not the final report) that lawyers who started out 20 and 30 years ago went in for an amount of general university education comparable with men entering the profession recently.

It does report that one third of all lawyers have had four years of university education other than law.

Three quarters of all lawyers have had exactly three years legal education, it found. This doesn't include extra time most lawyers spend under articles. In spite of law society regulations now, 9% of lawyers have had no formal education in law. Most of these were in Prince Edward Island, which lacks a law school. One quarter of lawyers in B. C. and Manitoba have no law school training. The report suggests they were admitted to practice before modern requirements.

"In Ontario, a band of stalwarts report that they studied law for seven years, having taken the four-year University of Toronto course and then another three years of law at Osgoode Hall," says the report. "Even including these indefatigables, only one lawyer of every 25 has had more than four years of legal training."

Survey statistics generally are considered fairly accurate for the country as a whole, but, the report says, hold greater possibilities of error in local averages.

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NEWFOUNDLAND READER

Fire and Casualty Firms Form Adjustment Bureau

A new adjustment bureau to handle most of the claims and adjustment work for over 100 fire and casualty insurance companies (tariff and nontariff) went into operation in Montreal this week.

The new bureau, Underwriters Adjustment Bureau Ltd., is designed along lines proved successful in the United States since 1888. Offices will be expanded gradually across Canada.

Charles N. Turner of Chas. N. Turner & Co. has been named general manager and has taken his entire staff into the new adjusting firm. Other adjusting firms are also joining the bureau with their supporting staff.

Independent adjusters will probably benefit from the bureau's operations as statistical data and other information will be made available to them.

Efforts in the immediate future will be directed mainly to settlement of fire claims, it is understood.

The bureau will pool experience on loss adjustments and act as a distribution centre for advice and information to companies, insurance agents and adjusters, and for the training of personnel.

In event of major disasters—similar to the Rimouski fire—the bureau will be in a position to draw trained personnel from many parts of the country to the centre of disaster. To cause as little disturbance as possible to personnel presently in the adjusting field, some of the foremost adjusters in each area will most probably be asked to join the new organization, as new offices are opened.

The bureau has been established as a stock company, with shares held by more than 100 tariff, nontariff and mutual fire and casualty insurance companies which will provide the bulk of the bureau's business.

The bureau will be operated as a separate and independent unit, and the honorary officers will be drawn from the managerial staffs of the subscribing insurance companies.

DRYDEN PAPER CO. reports it has accepted a subscription for 15,000 shares of unissued common stock at $26 per share. In addition, president and General Manager E. L. Goodall has exercised his option on 8,000 shares. Now outstanding are 213,000 common shares.

INTERNATIONAL METAL INDUSTRIES LTD. additional 10 4½% first preferred shares redeemed, thereby reducing preferred outstanding to 31,846 shares.

NOTICE

is hereby given that the Imperial Insurance Office has been granted by the Dominion Insurance Department, Certificate of Registry No. C 1268 authorizing it to transact in Canada the business of Boiler Insurance, Earthquake Insurance, Explosion Insurance, Falling Aircraft Insurance, Impact by Vehicles Insurance, Inland Transportation Insurance, Real Property Insurance, Water Damage Insurance and Weather Insurance in addition to the classes for which it is already registered.

ROBERT P. SIMPSON,
Managing Director.

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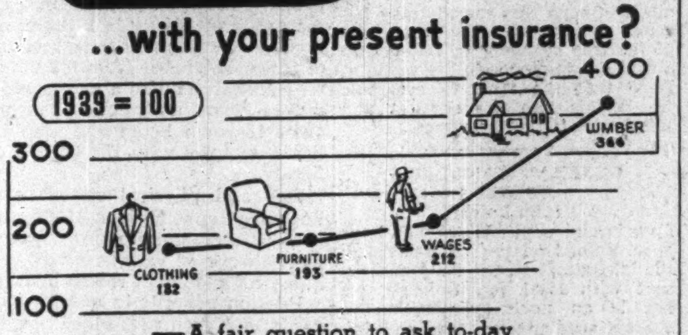
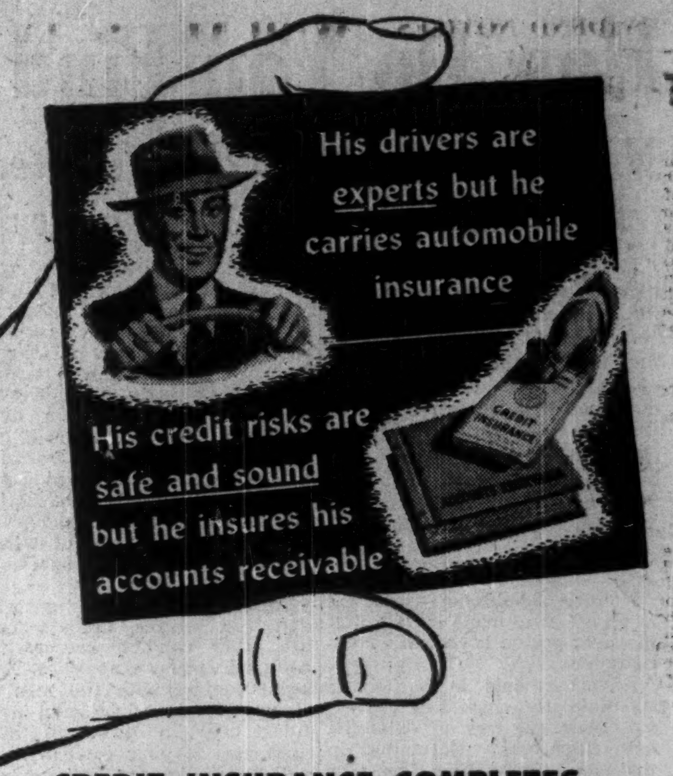


—A fair question to ask to-day
when costs have risen so high

VALUES SHOULD BE CHECKED AND INSURANCE
BROUGHT UP TO DATE — NOW!

THE CANADIAN FIRE INSURANCE COMPANY
THE CANADIAN INDEMNITY COMPANY
HEAD OFFICE: WINNIPEG


His drivers are experts but he carries automobile insurance
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WHY "SAFE" CREDITS NEED PROTECTION

PRESIDENT

Canadian Division

AMERICAN CREDIT INSURANCE

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DIVIDEND NOTICES

THE DOMINION BANK

DIVIDEND NO. 273

Notice is hereby given that a dividend of twenty-five cents per share upon the paid up capital stock of this Bank has been declared for the quarter ending 31st January, 1951. The dividend will be payable at the Head Office of the Bank and its Branches on and after Thursday, the first day of February, 1951, to shareholders of record of the 30th December, 1950.

By Order of the Board.

A. C. ASHFORTH,
General Manager.

Toronto, 14th December, 1950.

CANADA PERMANENT MORTGAGE CORPORATION

Notice is hereby given that a Dividend of TWO and ONE-HALF PER CENT. on the paid-up Capital Stock of the Corporation has been declared for the current quarter, and that the same will be payable Monday, the Second day of April next, to Shareholders of record at the close of business on the Fifteenth day of March, 1951.

By Order of the Board.

J. W. ROSE, JR.,
Secretary.

Toronto, January 10th, 1951.

SHIRRIFF'S LIMITED

DIVIDEND NOTICE

Notice is hereby given that the following Dividends have been declared.

On the outstanding 5% Cumulative Redeemable Preferred Shares of the Company, one and one-quarter per cent (1¼%) (25c) per share, payable on the 1st day of February, 1951, to shareholders of record on the 16th day of January, 1951.

On the outstanding Class A Shares six cents (6c) per share, payable on the 1st day of February, 1951, to shareholders of record on the 16th day of January, 1951.

By Order of the Board.

J. G. McKNIGHT,
Secretary.

Dated at Toronto,
January 8th, 1951.

LAURENTIDE ACCEPTANCE CORPORATION LTD.

A quarterly dividend of Twelve and a half cents (12½c) per share has been declared on the outstanding class "A" shares of the Corporation, for the quarter ended January 31st, 1951, payable on January 31st, 1951, to shareholders of record at the close of business January 15, 1951.

A quarterly dividend of Five cents (5c) per share has been declared on the outstanding class "B" shares of the Corporation, for the quarter ended January 31st, 1951, payable on January 31st, 1951, to shareholders of record at the close of business January 15th, 1951.

LUCIEN ROUX,
Secretary-Treasurer.

SHEA'S WINNIPEG BREWERY LIMITED

CLASS "A" SHARES

Dividend No. 9

Notice is hereby given that the half yearly dividend of twenty-seven and a half cents (27½c) per share on the outstanding class A shares of the Company has been declared for the half year ending February 15, 1951, payable on February 15, 1951, to shareholders of record at the close of business on January 31, 1951.

EDWARD JUDD,
Secretary.

SHEA'S WINNIPEG BREWERY LIMITED

CLASS "B" SHARES

Dividend No. 9

Notice is hereby given that a dividend of seventy-five cents (75c) per share plus a bonus of twenty-five cents (25c) per share, a total of one dollar ($1.00) on the outstanding class B shares of the Company has been declared for the half year ending February 15, 1951, payable on February 15, 1951, to shareholders of record at the close of business on January 31, 1951.

EDWARD JUDD,
Secretary.

ALUMINIUM LIMITED

DIVIDEND NOTICE

On January 11th 1951, a quarterly dividend of Seventy-five cents per share in U.S. currency was declared on the no par value Shares of this Company payable March 5th 1951, to shareholders of record at the close of business February 9th, 1951.

Montreal
January 11th, 1951

J. A. DULLEA
Secretary

Will Manitoba Compromise On Hydro Control Issue?

From Our Own Correspondent

WINNIPEG — Control of the province's hydro-electric power and the need for power development will be one of the main issues facing the Manitoba Legislature when it meets early in February.

The previously declared power policy of the government was implementation of the main plan in the Hogg Report. This involved setting up a central authority to take over and operate all power sites in the province, developed and undeveloped; and an inter-municipal agency to take over distribution of power including operation of the transit system of the Winnipeg Electric Co.

For about two years there have been negotiations between the province and the city of Winnipeg.

The city, which owns and operates two plants on the Winnipeg River, has suggested an alternative whereby it would retain ownership of its plants. It is unwilling to give them up under any plan of reorganization of the hydro power industry.

The province could take control of all the power plants but has not done so. Some decision has to be reached during the coming session. A power shortage for late in 1951 or soon after was forecast in the Hogg report unless new sources of supply were made available. The government is developing a new site at Pine Falls but this will not be in production soon enough to avert a power shortage in the province.

There is difference of opinion in the cabinet on what should be done. One group is still strong for implementing the main recommendation of the Hogg report. Another favors an alternative compromise plan which would probably allow the city of Winnipeg to retain ownership of its plants. Their idea is to create a pool for power distribution similar to that in the northwestern section of the United States.

In the meantime power consumption and production in the province for 1950 was 15% more than in 1949, the biggest percentage increase of any of the postwar years. Forecast shows that requirements for 1951 will be more than 15% above the consumption of 1950.

Construction work on the Pine Falls development is behind schedule. Original plans were for two units of 19,000 hp capacity each in production by November 1, 1951. This would have given an additional 38,000 hp.

Unfavorable conditions on the high flowing Winnipeg River have harassed contractors since the work started. In last spring's major flood one of the coffer dams had to be blown out to save another near the proposed power house location. Water levels are unusually high now. Engineers have already advised the government to expect a normal Winnipeg River flood this spring and are hoping it may not be so bad as last year's flood.

Requirements of the Manitoba Power Commission, the provincially owned utility which distributes power to rural Manitoba, reached their peak last month of about 84,000 hp. This was slightly above what was estimated.

Estimates for 1951 requirements are considerably above this. The result is there will be need for the total power developed at Pine Falls by the time construction is completed.

Edmonton Gives Larger Share Of Fire Insurance to Lloyd's

From Our Own Correspondent

EDMONTON—City Council has switched about 18% of its fire insurance business from tariff companies, members of the Western Canada Insurance Underwriters Association, to Lloyd's of London and nontariff companies. Formerly the business was divided about 85% to 15%. Now it is about 66 2/3% and 33 1/3%.

Total of $5,047,110 went to Lloyd's, half of the amount of the triennial schedule which fell due. The other half remained with the board companies. Total saving of $11,864 was claimed.

Tariff company representatives argued that services they rendered are worth more than the difference in rates quoted. These services included engineering services to reduce fire hazards, individual inspections, supplying of statistical information to municipalities and a survey such as that which followed the $1 million, 1949, Northern Hardware fire.

L. McNeill, of Winnipeg, assistant secretary of the Western Canada Fire Insurance Underwriters Association, told the city that it was unlikely a resurvey would be made this year to see whether Edmonton's fire defenses had improved to the extent of removal of a 25% surcharge placed on certain Edmonton insurance more than a year ago.

City commissioners claimed they had completed more than 90% of a fire defense program called for in the underwriters' survey following the Northern Hardware fire. They felt the surcharge, or part of it, should be removed.

A commissioner's report disclosed that total city fire insurance is $17,197,570 and that Lloyd's rates are less than the tariff by 20.83% on the general schedule and 21.3% on the exhibition schedule. In addition the tariff companies make an additional charge of 4½ cents per $100 for the city's Royal Alexandra Hospital for supplemental risk, an additional cover giving protection against windstorm, water escape damage, impact by vehicles, etc., not covered by the ordinary contract.

DIVIDEND NOTICES

CANADA FOILS LIMITED

DIVIDEND NOTICE

Class "A" Shares of No Par Value

Notice is hereby given that the regular quarterly dividend of fifteen cents (15c) per share (being at the rate of 60c per share per annum) will be paid on the 15th day of February, 1951, to shareholders of record at the close of business on the 31st day of January, 1951.

By Order of the Board.

W. A. RENNIE,
Secretary.

Toronto, Ontario.
January 9th, 1951.

CANADA FOILS LIMITED

DIVIDEND NOTICE

Common Shares of No Par Value

Notice is hereby given that a dividend of ten cents (10c) on the Common shares of No par value will be paid on the 15th day of February, 1951, to shareholders of record at the close of business on the 31st day of January, 1951.

By Order of the Board.

W. A. RENNIE,
Secretary.

Toronto, Ontario.
January 9th, 1951.

A. J. Freiman Limited

Notice is hereby given that subject to the approval of the Foreign Exchange Control Board a quarterly dividend of twelve and one half cents (12½c) per share on the Common Shares of the Company has been declared payable on and after the 1st day of February, 1951, to holders of record at the close of business on the 23rd day of January, 1951.

Dated at Ottawa this 13th day of January, 1951.

LAWRENCE FREIMAN,
President.

A. J. Freiman Limited

Notice is hereby given that subject to the approval of the Foreign Exchange Control Board the quarterly dividend of 1⅛% upon the outstanding Preference Shares of the Company has been declared payable on and after the 1st day of February, 1951, to holders of record at the close of business on the 23rd day of January, 1951.

Dated at Ottawa this 13th day of January, 1951.

LAWRENCE FREIMAN,
President.

INVESTORS MUTUAL OF CANADA LTD.

DIVIDEND NOTICE

Notice is hereby given that a dividend of 6½ cents per share on the outstanding Capital Stock of Investors Mutual of Canada Ltd. has been declared. Such dividend to be payable on February 15th, 1951, to shareholders of record at the close of business on January 31st, 1951.

By Order of the Board.

F. M. BOULTON,
Secretary.

Winnipeg, Manitoba,
January 9th, 1951.

SWIFT & CO. consolidated net profit for the year ended Oct. 28, 1950 amounted to $16,142,586, down 37½% from the previous year's $25,826,000. Sales were up slightly at $2,214,819,268 ($2,213 million), with total tonnage handled up approximately 1% over 1949. Earnings averaged 7/10c per $1 of sales.

Volume through meat packing plants was essentially the same as a year ago with reductions seen in cattle, sheep and lamb marketings but an 8% increase in hogs. Prices of meat were relatively consistent with seasonal fluctuations up to the Korean War but after June much higher prices prevailed for fats, oils, hides and meats, both canned and table-ready.

New buildings and other improvements have been completed in the years since the war at Cleveland, Fort Worth, Kansas City, Los Angeles and Toronto. A new plant to make adhesives was completed at New Westminster during the year.

Larger supplies of meat are expected in 1951 but, with curtailed consumer goods supplies, demand for food products is expected to increase. Prices can be kept within reasonable ranges by increased savings but the major part of the battle against rising food prices is maintenance of the value of the dollar. In this serious world situation our industry is equipped to carry out its important function of efficiently processing foods and other essential products, President John Holmes states.

Net assets of Canadian subsidiaries amount to $14,655,172 converted at $0.95; fixed and other assets were $8,770,282, converted at approximate equivalent cost in U. S. dollars at dates of acquisition, and undistributed accumulated earnings in the amount of $9,988,999 are reported.

CANADIAN UTILITIES LIMITED

DIVIDEND NOTICE

NOTICE is hereby given that a quarterly dividend of One Dollar and Twenty-five Cents ($1.25) per share on the 5% Cumulative Redeemable Preferred Shares of the par value of $100.00 each of the Company will be paid on the 15th day of February, 1951, to all Shareholders of record at the close of business on the 26th day of January, 1951.

Dated at Edmonton, Alberta, this 12th day of January, A.D. 1951.

By Order of the Board,

T. A. MONTGOMERY,
Secretary.

Provincial Roundup

Significant events in public affairs and business in the Canadian provinces

British Columbia

End Gas Controls: The Provincial Government has decided to eliminate a set margin of profit for distributors in the sale of gasoline thus taking another step in removing controls from the petroleum industry. The only control the Government intends to maintain is on the number of outlets for sale of car "products." Service station operators predict gas price wars if all controls are removed as is expected at the next session of the legislature.

Free Legal Aid: A legal aid scheme for Vancouver persons without funds went into effect Wednesday night as the Vancouver Bar Association completed plans for three-man teams of lawyers to be available in the Court House for consultation. If the lawyers are satisfied the applicant is unable to pay for legal services, they will give the legal advice free.

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Alberta

Oil Sand Prediction: Northern Alberta's vast oil sands could provide oil cheaply enough to compete at eastern markets with world prices on oil from normal fields, oil expert Sidney M. Blair has predicted. On a basis of a 20,000 - barrel - a - day extraction plant north of Edmonton a blend of oil, gasoline and gas distillate could be pumped into Superior, Wis. at $3.50 a barrel providing 40 cents a barrel profit. Profits would yield the 5% or 6% on a $45-million plant capital outlay and also amortize the $5 millions required for an eight-inch pipe line from the Athabasca oil sands to Edmonton.

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Saskatchewan

Milk Shortage: Government agricultural officials and dairy men are showing concern over the drop in the province's milk production which has forced some dairies to use powdered milk from the United States. Another three firms have placed orders for powdered milk from New Zealand. Cost of heated cow barns and low milk profits combined with high beef prices have turned farmers away from milk production, officials believe.

C.C.F. Gerrymander?: The Provincial Government is proposing to redistribute constituencies in a bill to be brought forward at the next legislature. The Saskatchewan Liberal Association has termed this redistribution plan as "a large-scale gerrymander." Premier Douglas explains the need for redistribution in the great variance in the number of electors in the different ridings.

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Manitoba

Electrification: Expansion of rural electrification at the rate of 5,000 farms per year has been set as the ultimate goal of the Manitoba Power Commission. The commission now serves 391 cities, towns and villages with a total of 67,000 customers.

Prepaid Health Services: Provision of prepaid laboratory and X-ray services for nearly 40,000 Manitoba residents will soon become an actuality now that Minister of National Health and Welfare Paul Martin has approved grants to buy equipment for these services. The equipment will be for health units in Swan Valley, Morris-Altona and Hamiota.

More Goldeyes: Winnipeg's famed goldeye is staging a comeback. The slump in propagation of the fish is over according to conservation officials who point to an increase in production. The 1946-47 production figure of a low 78,800 pounds has increased over the years to the 1949-50 production figure of 228,500 pounds.

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Ontario

Teacher Pay Hike: A trail-blazing salary contract has been adopted in Forest Hill (Toronto) giving teachers the highest salaries in Canada. All teachers in the school system with a university degree (whether public or high school) receive a $1,000 raise. Nondegree teachers will get an $800 increase. This makes the new maximum and minimum for degree teachers $5,300 and $2,800 a year; for nondegree teachers the maximum and minimum are $4,600 and $2,400.

Ottawa Sees TV: Defying the theory that regular television is near impossible past the 50-mile horizon limit, an Ottawa radio expert is getting good TV reception three nights a week by use of a signal booster attached to his aerial. This possiblity of regular reception as far away as 162 miles from the TV transmitter may speed up the building of TV networks. Theory held by TV experts is that TV transmission does not bend but goes out at a tangent to the earth.

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Quebec

Private TV?: Another move toward granting licenses to private TV stations was made when Premier Duplessis gave C.B.C. permission to build a TV transmitter on Mount Royal on one condition, the corporation is to have no monopoly on Mount Royal for TV transmitters. C.B.C. Chairman David Dunton replied that the corporation has never sought a monopoly on Mount Royal or on television in Canada.

Rent Controls: Premier Duplessis has indicated that the Quebec Government will introduce rent control legislation at the next session of the legislature. (Federal rent controls are due to be abandoned in April.) He told a delegation of labor, "We want to prevent tenants from being exploited and at the same time protect the right of proprietors."

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New Brunswick

Farm Meet: Delegates from agricultural districts in New Brunswick attended the 75th annual convention of the N. B. Farmers' Association at Fredericton. Resolutions were passed deploring the rising cost of fertilizers and calling for higher tariffs on vegetable oils entering Canada for manufacture into butter substitutes.

Civil Defense: Representatives of industry, business and the professions, government officials and technical advisers, meeting in Fredericton, laid the groundwork for the establishment of a volunteer civil defense force for New Brunswick. Maj.-Gen. F. F. Worthington, co-ordinator of civil defense for Canada, attended the meeting and John A Patterson of Fredericton was named civil defence co-ordinator for New Brunswick.

Fish Loss: A record high tide on the Miramichi River last week caused more than $200,000 loss to smelt fishermen in the area. The river ice went out, taking with it much valuable fishing gear and nets. In the Neguac area alone some 800 nets were lost.

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Nova Scotia

Trade With B.W.I.: Trade between the Maritimes and the West Indies is on the uptrend and shipping officials claim prospects are good for the future. The Canadian National Steamships fleet which has a carrying capacity of 37,000 gross tons, has on the average two ships leaving Halifax every week with Maritime products for the West Indies. The Islands provide a market for Maritime and Newfoundland apples, potatoes, lumber, apple juices, vegetables, Christmas trees, livestock, puncheon staves, herring, cod, structural steel and even strawberry plants.

Teaching Pay Low: The provincial department of education has turned down request for aid to municipalities in increasing teachers' salaries which are at a 10-year low ebb. The result is an ever-diminishing supply of trained teachers with many in the profession having to take part-time work to augment their salaries.

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Prince Edward Is.

Import Breed: Prince Edward Island Jersey breeders, in an effort to step up quality of their stock, may go to the natural source for a sire, Jersey Island. They understand that during the German occupation the original home of the Jersey breed saw a drastic cut in its cattle population, with only the best grade stock left. Island breeders want the best obtainable, and say they will pay any price.

Potato Aid: Unofficial rumors have it that the Federal Government is going to give aid to the potato industry. It is said that assistance in obtaining special orders, such as the recent request from Spain for a price on 700,000 bushels, will be made by providing a guarantee of about 40c a bushel to the farmer. The local marketing board will not commit itself until it meets shortly with its New Brunswick counterpart to consider the scheme.

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Newfoundland

Fish to France: The possibility of Job Brothers Fisheries selling fresh fish to France may open a new market for Newfoundland's fishing industry in the near future.

New Birch Company: The half million dollar birch processing plant to be built by the Provincial Government will operate on a private commercial basis. The operators of the plant to be known as Newfoundland Hardwoods Co. will split the profits with the Government and pay a rental fee for the plant. The plant will go into operation in the late spring of this year and will eventually employ 150 to 200 men on the site and provide employment for an additional 750 to 1,000 engaged in cutting timber and at sawmills throughout the province.

Fish Catch Down: Total 1950 salt fish catch is expected to be more than 15 million pounds down from 1949's total catch of 100 million pounds. Reason of lower catch is said to be the unsettled market conditions rather than a fish shortage.

United Asbestos Plans For Low Mining Costs

To secure as low mining costs as possible, United Asbestos Corp., plans to stress a high degree of mechanization in underground mining, will use block caving as a cheap method of mining large masses of ore.

Initial mining will be from the three-compartment shaft now approaching its objective. But in addition to the three-compartment vertical shaft on the east side of Black Lake, the company plans to extend an inclined shaft later from the west shore of the lake to the area of the main ore bodies. This latter opening will then permit ore to be transferred to the mill by conveyor instead of skips.

Plans have been formulated for a 2,400-ton mill on the west side of the lake and further financing for this is anticipated after ore bodies are developed from the shaft.

The three-compartment shaft on the east side of the lake had reached a depth of 457 ft. on Jan. 6. The shaft is of concrete and steel construction and no difficulty has been found with water, it is stated.

68 Million Tons

While the main ore bodies to be mined — estimated to contain 68 million tons averaging 4¼% asbestos fibre — are located below the waters of Black Lake, it is not expected this will prevent regular mining operations. Clyde H. Shoemaker, the company's consulting engineer, describes this situation as follows:

"Despite the fact that the ore bodies are under the waters of Black Lake, as it now exists, from an engineering standpoint the exploitation thereof is quite a feasible operation. In other words, the situation presents hurdles but they are by no means insurmountable obstructions."

Average grade of asbestos ore is worked out by visual inspection and while the average is reported at 4¼% the company expects that some of the ore will run as high as 15% fibre. While the shaft was sunk in granite which was thought to be away from the ore, good asbestos material has been located in this work.

Value of the asbestos fibre in the indicated ore is placed at $273 millions.

The area of the main outlined ore is contained in a space 3,600 ft. long by 550 ft. wide to an average vertical depth of 535 ft. The deepest vertical hole located in the centre of the deposit shows the ore zone extending to hole bottom at 1,008 ft. Three other zones outside the main zone are known to be asbestos bearing but have not been explored in detail.

A shortage of asbestos exists and no difficulty is anticipated in selling production.

Authorized capital of the company is five million shares of which three million shares are outstanding. Options are outstanding on a million shares at prices ranging from $1.00 to $1.75 a share. Approximately $450,000 cash is on hand.

CONSOLIDATED CORDSUN OILS has received payment for 50,000 shares at 65c a share, comprising part of Jan. 17 option installment under underwriting and option agreement with Gragor Corp. The company has purchased an additional 20% net interest, making 40% in all, in development of the northeast quarter of Section 24, the east half and northwest quarter of Section 25, all in Twp. 1, range 22, west of the fourth meridian, Alta., containing an area of 640 acres; consideration was 550,000 treasury shares of which 25% are free shares and balance of 75% have been escrowed for a period of six months. Issued capital is 2,550,000 shares, leaving 950,000 shares in treasury.

Grain Prices

Chicago Futures

Week to Jan. 15, 1951

Crop year from Aug. 1, 1950 High	Low		High for week	Low for week	Close Jan 15
		Wheat—			
2.43¼	2.22¼	Mar. ...	2.49¼	2.42¼	2.44¾
2.48¼	2.23	May ...	2.48¼	2.42¼	2.45
2.43¼	2.10¾	July ...	2.42¾	2.35¼	2.37¾
2.44¼	2.38¼	Sept. ...	2.43¾	2.36¾	2.39¼
		Corn—			
1.80¾	1.43¾	Mar. ...	1.80¾	1.74¼	1.76¾
1.80¼	1.45	May ...	1.80¼	1.75¾	1.77¼
1.80¼	1.49	July ...	1.80¼	1.75¼	1.77¾
1.79	1.67¼	Sept. ...	1.78¾	1.73¾	1.76¼
		Oats—			
.99¾	.76¼	Mar. ...	.99¾	.94¼	.96
.99	.74¼	May ...	.99	.94¼	.95¾
.93¾	.73¼	July ...	.93¾	.88¾	.90¼
.93¾	.87¾	Sept. ...	.93¼	.87¾	.88¾
		Rye—			
1.82¼	1.44	May ...	1.82¼	1.72¼	1.76
1.85	1.49	July ...	1.85	1.75	1.79
1.87¼	1.70¼	Sept. ...	1.87¼	1.77¼	1.80¾
		Soybeans—			
		Jan.	3.16¼	3.09¾	3.14
		Mar.	3.20	3.13	3.16¾
		May	3.21¼	3.15	3.18¾
		July	3.21	3.15¼	3.18¼

Chicago Cash

	For Week Jan 15 High	Low	Prev. Week High	Low
Corn—				
2 Yel.	1.80	1.74¼	1.82¼	1.75¼
Oats—				
1 H. Wh.	.99¾	.98	1.03	1.00¾

Winnipeg Futures

Week to Jan. 15, 1951

Crop year from Aug. 1, 1950 High	Low		High for week	Low for week	Close Jan. 15
		Oats—			
1.00¾	.75¾	May	1.00¾	.97	.98¾
.92	.77¾	July	.92	.88¼	.89¾
.87¾	.85¼	Oct.	.87¾	.83¾	.84¾
		Barley—			
1.46¾	1.07	May	1.46¾	1.41¼	1.43¼
1.36¼	1.16	July	1.36¼	1.31¾	1.33¾
1.29¾	1.23¾	Oct.	1.29¾	1.24¾	1.26¾
		Rye—			
1.91¼	1.40	May	1.91¼	1.83¼	1.87¾
1.87	1.50¾	July	1.87	1.80¾	1.84¾
1.81	1.72	Oct.	1.81	1.75¼	1.78¾
		Flax—			
4.92	3.49¼	May	4.92	4.51	4.80
4.76	3.68	July	4.76	4.43	4.67¼
4.69	4.24¼	Oct.	4.69	4.46	4.54

Winnipeg Cash

	For Week Jan. 15 High	Low	Prev. Week High	Low
Oats—				
2 C. W.	1.05¾	1.04¼	1.05¼	1.03¼
3 C. W.	1.02¼	.99¼	1.07¾	1.00¼
Barley—				
1 Feed	1.45¾	1.41¾	1.42¾	1.40¾
2 Feed	1.42¾	1.38¾	1.40¾	1.37¾
1 Malt	1.56¾	1.53¼	1.53¾	1.51¾
Rye—				
2 C. W.	1.84¾	1.81¾	1.81¾	1.77¾
Flax—				
1 C. W.	4.78	4.37¼	4.43¾	4.21

Grain Merchants Shippers & Exporters

JAMES RICHARDSON & SONS
LIMITED

HEAD OFFICE: WINNIPEG MANITOBA
OFFICES THROUGHOUT CANADA

N. M. PATERSON & COMPANY LTD.
Own and Operate
Terminal Elevators in Fort William
109 Country Elevators
Total Storage Capacity 12,000,000 bus.
31 Vessels on the Great Lakes
Total Carrying Capacity, 4,500,000 bus. per trip
Head Office: FORT WILLIAM, ONT.
609 Grain Exchange, Winnipeg

FEDERAL GRAIN LIMITED
AND
THE ALBERTA PACIFIC GRAIN CO. (1943) LTD.
WINNIPEG - CALGARY
Country Elevators located in all Prairie Provinces, and Terminals at Fort William, Port Arthur and Vancouver.
Cereal and Forage Seed Plant at Winnipeg.
We invite your inquiries regarding feed and seed grain.

HALLET & CAREY LIMITED
GRAIN SHIPPERS AND EXPORTERS
GRAIN FUTURES
Owners and Operators
Fort William Terminal Elevator Co. Ltd.
and Powell Transports Ltd.
Head Office—563 Grain Exchange, Winnipeg, Man.
Branch Offices—Fort William, Ont., Montreal, Que.
—Vancouver, B.C.

TORONTO ELEVATORS
LIMITED
TORONTO • MONTREAL • SARNIA • WINNIPEG
GRAIN MERCHANTS
MANUFACTURERS OF MASTER FEEDS
Processors of
LINSEED OIL
SOYBEAN OIL
LINSEED OILCAKE MEAL
SOYBEAN OILCAKE MEAL

THE CANADIAN CONSOLIDATED GRAIN
COMPANY LIMITED
Operators of Country Elevators in Manitoba and Saskatchewan and Terminal Elevators at Fort William and Port Arthur
Grain Commission Merchants — Shippers and Handlers of All Grains
Head Office: WINNIPEG, CANADA

NORRIS GRAIN COMPANY
LIMITED
Grain Merchants, Shippers and Exporters
709 Grain Exchange, Winnipeg
NEW YORK CHICAGO KANSAS CITY TOLEDO ST. LOUIS
BALTIMORE MINNEAPOLIS DULUTH LONDON LIVERPOOL

FEED GRAINS Bulk or Sacked
All Grain selected from our Elevators in the Finest Growing Districts of Western Canada
Write or Wire to Winnipeg for Quotations
National Grain
Company Limited
Head Office, Winnipeg Terminal, Fort William

THE WEEK'S QUOTATIONS

Montreal and Toronto Winnipeg, Calgary and Vancouver

Quotations here listed are the official stock exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

WEEK ENDING JANUARY 12

Range 1950-51 High	Low	Div R'te $	Jan 12 Y'ld %	Company	Sales	Last Jan. 5	Week end. Jan. 12 H	L	Cl'se
451	211	3.00	6.6	Abitibi	31345	421	453	421	451
251	22	1.50	6.1	Do. $1.50 pf.	6010	241	241	241	241
261	21	1.00+.75		Acadia Atlan. A	2560	26	261	251	261
1051	1001	5.00	4.9	Do. 5% pref.	65	102	102	102	102
13	6	†.25	...	Acme Glove	56	101	101	101	101
11	81	.60	6.0	Agnew Surp.	300	91	10	91	10
2.00	1.45		...	Albt. Dist.	3250	1.80	1.95	1.85	1.85
1.99	1.30		...	Do. V.T.	10700	1.80	1.85	1.83	1.85
321	131		...	Algoma Steel	18070	29	321	*281	301
271	25	1.00	4.0	Alum. of Can p	2710	25	26	25	251
1071	521	▲3.00+†.75		Aluminium, n.	14083	1061	107	1041	105
9	6	†.30	...	Amal. Electric.	200	7	8	8	8
91	5	.40	5.0	Andian Nat.	155	71	8	71	8
471	431	2.25	5.2	Ang Can Tel p	40	44	44	431	431
11	8	†3.00+stk.	x	Ang. Nfld.	87418	91	11	91	101
91	7	.60	6.2	Argus	9100	9	91	9	91
85	701	4.50	5.8	Do. 41% pf.	360	76	79	77	78
431	241	1.60+†.80		Asbestos	5765	411	431	401	43
161	151		...	Ashdown Hd B	530	16	161	16	161
151	7	**.25	...	Atlas Steels	16904	141	151	141	15
71	51	†.45	...	Auto Electric	410	7	71	71	71
8	7	.50	7.1	Do. (A)	100	71	71	7	7
51	31	.40	7.6	Auto Fabric B	1850	41	51	41	51
21	20	.80	3.9	Bk. Can. Nat.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Range 1950-51 High	Low	Div R'te $	Jan 12 Y'ld %	Company	Sales	Last Jan. 5	Week end. Jan. 12 H	L	Cl'se
26	191	1.50	6.1	Gt. West Coal.	50	25	241	241	241
131	13	•.50	...	Guaranty Trust	85	13	131	131	131
24	161	1.60	6.7	Gypsum, Lime	7485	22	24	211	24
131	122	.80	6.1	Hahn Brass, A	670	131	131	121	131
121	10	†.15	...	Halifax Insur.	481	111	10	10	10
151	10	.50+†.25		Ham. Bridge	5266	13	141	101	141
201	131	.50+†.25		Ham. Cot.	105	17	201	18	201
11	81	.80	7.8	Harding Carpet	500	[illegible]	101	10	101
101	9	.50	5.6	Hartz, A.	90	91	91	9	9
41	27	†1.00		Hayes Steel	1070	34	341	331	341
80	65	5.00	7.1	Hendershot P p	5	70	70	70	70
25	161	†1.05+†.35		Hinde & Dau.	450	25	25	25	25
73	341	2.00+†1.00		H. Smith Pap.	1202	68	73	70	72
501	45	2.00	4.0	Do. pref.	525	49	50	491	491
10	6	**.20		Hunts A	70	81	71	71	71
41	31	†.75	...	Hydro Electric.	100	3.65	4.00	4.00	4.00
361	301	1.20+†.20		Imperial Bk.	1370	341	361	35	351
30	21	†.55	...	Imperial Oil	27055	271	291	271	29
141	12	.50+†.121		Imperial Tob.	4269	121	121	121	121
27	241	1.00	4.0	Do. 4% pref.	1715	25	25	25	25
41	28	2.00+†1.00		Indust. Accept	4172	281	29	28	281
88	83	4.25	4.9	Do. 41% pf.	25	85	87	851	87

Range 1950-51 High	Low	Div R'te $	Jan 12 Y'ld %	Company	Sales	Last Jan. 5	Week end. Jan. 12 H	L	Cl'se
991	97	5.50	5.6	Wood, G. H.	20	99	991	981	981
20	13	1.60	8.0	Wool Combing.	70	161	20	20	20
61	5	.40	6.7	York Knit. A.	50	61	6	6	6
21	1		...	Do. (B)	650	21	21	21	21
17	13	.50+**.10		Zellers	435	14	14	131	131
291	271	1.50	5.5	Do. 6% pref.	95	281	28	271	271

•On arrears ▲N. Y. funds ▲▲Participating divd.
♦Dividend deferred. ‡For each 20 shares held.
♦After stock split. x2 shs. for each 1 held.
**Paid or payable in 1951. †Paid or payable in 1950.
■■3 fully paid 5% pref. shs. for each 5 common or ordinary held z 3 shs. $1 par pfd. for each share held.
††.30c payable in Dec., 1950, and .70c in 1951.
‡‡1/64 shs. of 1 par pref. stock for each common share held.
■Stock divds. of 3 $100 par pref. shs. for each 10 com. shs. held and 1 pref. sh. for each 20 com. shs. held (tax free).
■■One 40% $100 par pref. share for each com. sh. held).

Mining Stocks

Oil Stocks

BUSINESS BAROMETERS

	DEC.	NOV.	OCT.	SEPT.	Year Ago
GOVERNMENT FINANCE (millions of $)					
Dom. total revenue	....	251.9	253.6	214.5	194.6
Dom. total expend.	....	209.1	186.6	211.0	198.5
MERCHANDISING					
■Dept. store sales (3)	+3	+6	+1	+7	....
Country store sales (3)	....	....	—4	+3	....
Retail store sales (3)	....	....	+3	+9	....
FINANCE					
Divd. pay. index (1) (5)	230.2	214.4	213.0	213.6	217.8
Money supply (millions $)	....	....	4,925	4,919	4,377
NEWSPRINT CAPACITY					
Production ratio (7)	....	103.2	103.1	103.2	101.2
RAILWAY FREIGHT LOADINGS					
■Tons (D.B.S.) (1)	195.4	187.9	169.9	165.0	193.5
■Cars (D.B.S.) (1)	165.5	158.6	146.0	144.7	156.3
COST OF LIVING					
D.B.S. (1)	171.1	170.7	170.7	169.8	161.5
EMPLOYMENT INDEX					
All industries (6)	....	210.5	209.9	206.3	202.0
Payrolls (June 1/41=100) (2)	....	....	244.4	231.6	223.2
MANUFACTURING					
Inventories (1947=100)	....	....	133.6	131.3	125.4
Employment (6)	....	215.4	215.9	212.4	206.5

	1950-51	1949-50	1950-51 Jan. 1 to date	1949-50 Jan. 1 to date	% Change
RAILWAYS (000's omitted)					
■Carloadings (week Jan. 6)	62.6	54.5	62.6	54.5	+11.5
C.N.R. gross rev. (Nov.)	52,896	44,560	503,648	455,453	+10.6
C.N.R. net rev. (Nov.)	9,278	5,493	54,533	16,945	+221.8
C.P.R. gross rev. (Nov.)	35,101	32,168	344,755	333,136	+3.5
C.P.R. net rev. (Nov.)	5,972	4,513	33,162	17,516	+89.3
IRON AND STEEL PRODUCTION (000's omitted)					
Pig iron (tons) (Oct.)	206	166	1,903	1,825	+4.3
Steel (tons) (Oct.)	286	253	2,737	2,578	+6
CONSTRUCTION (000,000's omitted)					
Contracts awarded (Nov.) ($)	161	117	1,423	1,019	+39.6
■Cement prod. bbls. (Oct.)	1.6	1.5	13.9	13.4	+3.4
AGRICULTURE (000's omitted)					
Flour exp., bbls. (Nov.)	1,052	822	9,215	8,945	+3
Wheat exp., bush. (Nov.)	15,408	23,592	146,530	192,771	—32
■Cattle sales (Dec.) (4)	149	164	1,703	1,830	—7.4
Hog sales (Nov.)	443	514	4,279	3,804	+12.5
SEA FISHERIES (000,000's omitted)					
Catch, lb. (Nov.)	150	116	1,209	1,110	+8.9
Landed value (Nov.) ($)	4.7	2.9	62.9	50.3	+25.1
NEWSPRINT (000,000's omitted)					
■Production (Nov.)	457	437	4,848	4,761	+1.8
■Exports, tons (Nov.)	478	461	4,862	4,730	+2.8
MINING AND OILS (000's omitted)					
Coal prod. (tons) (Nov.)	2,000	2,092	17,071	17,305	—1.4
■Gold prod. (fine oz.) (Oct.)	377	367	3,687	3,388	+.9
Petroleum prod. (bbl.) (Sept.)	2,725	2,167	20,297	15,709	+29
ELECTRICAL POWER OUTPUT (000,000 omitted)					
■Total monthly kw.h. (Nov.)	4,447	3,914	46,133	42,633	+8.2
FOREIGN TRADE (millions of $)					
Imports (Nov.)	328	240	2,912	2,536	+14
Exports (Nov.)	293	292	2,792	2,686	+5
FINANCE (millions of $)					
Bank debits (Nov.) (8)	11,008	8,540	91,320	79,158	+13.4
■Bond sales (Dec.)	220	500	6,328	4,660	+35.8
Life insurance sales (Nov.)	136	125	1,238	1,151	+7.6
OTHER INDUSTRIAL FACTORS					
Shoe prod. (000) (Oct.)	3,270	3,124	28,170	30,669	—8.8
Cigarette cons. (000,000) (Nov.)	1,386	1,539	15,925	15,415	+3.3

(1) Base period 1935-39=100.
(2) All industries.
(3) % change from year ago, latest week or monthly average.
(4) Total at yards and plants.
(5) Nesbitt, Thomson.
(6) Base period 1926=100.
(7) Includes Newfoundland.
(8) Includes debits in St. John's, Nfld., since April, 1949, only.
■New item this week.

Volume of Stock Sales

	Montreal	Toronto	Calgary	Vancouver	New York
Jan. 15	394,700	2,756,000	180,391	149,972	3,490,000
Jan. 13	130,700	1,405,000	77,935	188,602	1,370,000
Jan. 12	458,700	2,639,000	228,438	173,380	3,570,000
Jan. 11	505,000	2,330,000	145,725	168,251	4,120,000
Jan. 10	641,900	2,927,000	229,339	131,901	4,020,000
Jan. 9	566,100	2,991,000	352,179	202,363	4,590,000

STOCKS NOT TRADED THIS WEEK

Company	Div. Rate $	Last sale	Jan. 12 Bid	Ask
Ashdown Hdwre. A	.60	15	141	15
Assoc. T. & T. A		80	..	..
Do. pref.	▲6.00+**3.00**	155	..	..
Ault & Wiborg pf.	5.50	103	103	105
Auto Fabric A	.60	61	61	71
Barcelona	..	3.00	..	2.90
Bates & Innes	1.00	14	14	..
Beaver Lumber	**1.00	391	34	..
Beld. Cort.	6.00+**1.00	168	170	..
Do. pref.	7.00	165	165	175
Belgium Glove	.60	81	8	91
Do. pref.	1.00+**.10	161	..	161
Bertram & Sons B	.20+†.50	101	91	11
Blue Ribbon	..	251	221	28
Do. pref.	2.50	56	56	57
Blue Top Br.	..	35	.20	..
Bowes Co. A	.50	101	..	..
Do. B	2.00+†6.25	40	42	13
Brand.-Hender.	..	91	81	..
Brant. Roof. A	1.00	15	141	11
Do. B	.40	6	7	16
Brazilian Tr. pref.	6.00	128	1241	..
Bright, T. G.	1.00	28	26	30
Burns & Co. A	3.00	41	40	..
Caldwell Linen 1st pref.	1.50	301	301	301
Do. 2nd pf.	.80+**.20	161	161	17
Can. Cr. Stone	.80+†.40	241	171	241
Can. Floor. B	**.25	12	151	..
Can. Forg. B	1.50+†1.50	52	53	75
Can. Life	20.00	775	..	..
Can. Machine	.50	71	7	71
Can. Starch pref.	7.00	1051	1061	..
C. Varnish 5% pf.	1.25	151	151	17
C. Celanese $1 pf.	1.00	231	..	231
Can. Colliers.	†.221	1.65	1.85	..
Can. Fairb. pref.	6.00	135	..	139
Can. Fire	.80	211	211	..
Can. For. In.	2.00+†3.00	78	75	..
Can. G. Sec. A	**4.00	50	65	..
Do. B	**4.00	20	65	..
Can. Ice Mach.	..	5.00	4.00	4.65
Do. A	.80	9	81	10
Can. Indust. pref.	7.00	176	175	..
Can. Int. I. Tr.	..	91	91	13
Do. pref.	†5.00	96	90	100
Can. Oil 8% pref.	8.00	155	153	155
Can. Silk	1.50	341	28	..
Can. Wallpaper A	†1.00	13	..	15
Celtic Knit.	1.00+stk.■■	131	..	16
Cent. Can. Loan	8.00+†4.00	210	160	260
Cent. Nor. Air. A	†.25	5	..	6
Do. B	..	2	..	2
Chart. Trust	1.00	33	291	..
Chatco Steel	†.25	101	91	10
Do. pref.	.50	7	61	71
Cinzano A	41d	1	..	1
Do. 51% pref.	51%	21	..	..
Circle Bar Knit. A	1.00	15	15	16
Claude Neon pref.	..	32	34	34
Coll. Term. pf.	.25+**.25	10	11	..
Cons. Fire Co.	..	5	..	..
Cons. Press B	..	2.00	2.00	3.00
Cres. Cream pref.	†5.00	76	70	80
Disher Steel	**.50	171	171	..
Dom. Ang. I.	†5.00+6.00	1091	136	..
Do. pref.	5.00	102	971	..
Dom. Fire	6.00	140	147	..
Dom. Square	4.00	70	65	75
Donnell & Mudge	..	2	21	4
East. Theat.	†3.00	27	221	..
Enam. & Heat.	**.35	22	22	..
Erie Floor & Wood B	†.50	4	4	..
Esmond Mills	1.00	20	18	..
Estabrooks pref.	1.04	22	..	221
Federal Fire	2.00+†.25	48	47	..
Fibre Products	.80	111	111	111
Do. pref.	.50	81	81	91
Fisher & Burpe A	†.80	111	111	..
Do. B	†.25	31	31	..
Fittings	..	81	81	9
Do A	..	13	121	121
Flash Fast.	..	2	2	31
Do. pref.	1.00	10	10	13
Fleury Bissell	..	1.05	.50	1.20
Do. pref.	..	8	81	13
Ford Motor B	2.00+†1.00	51	56	..
For. Pr. Secs.	..	.50	.60	.95
Do. pref.	..	161	..	17
Freiman	.50+†.25	10	101	..
Do. pref.	4.50	85	831	..
Gen. Products B	**.75	361	45	..
Do pref.	5.00	991	99	..
Gord. Belyea	3.00	60	561	..
Gould Pumps	▲1.00	651	..	..
Grafton & Co. A	1.00	171	171	18
Grand & Toy	.60	161	16	..
Great West Felt	†.30	5	3	81
Do. pref.	.50	51	51	71
Great-West Life	20.00	550	565	..
Gt. West Saddlery	†1.00	12	141	16
Green'g Wire	.20+**.05	4.85	4.85	5.00
Growers Wine	..	1.80	..	..
Hahn Brass	**.25	10	10	101
Hamilton Cot. pf.	5.00	1001	1001	101
Hendershot Pap.	1.00	11	11	111
Hillcrest Coll.	..	.20	.06	.30
Holden Mfg. A	.60	6	61	9
Do. B	..	4.50	..	3.90
Holt Renfrew	..	25	25	..
Do. pref.	..	100	..	..
Horner, F. W.	.50z	9	..	10
Ho. De La Salle	..	14	14	..
Hubbard Felt	..	4	..	..
Do. A pref.	1.50	16	16	..
Humberstone S.	†1.25	201	..	20
Hunts B	**.20	8	..	8
Huron & E. Mt.	5.00	125	125	..
Do. 20% pref.	5.00	231	231	..
Imp. Tobac. 6% pf	6%	71	61	71
Imp. Varnish	1.00+†1.00	161	161	181
Do pref.	1.50	311	301	..
Inter'c. Coal	2.00	251	251	..
Do. pref.	8.00	115	118	125
Int. Coal & Coke	†.041	.261	.29	.33
Int. Nickel pref.	7.00	1391	137	140
Do. $5 pref.	..	6	6	7
Int. Paints	..	7	71	..
Int. Pap. pref.	▲4.00	111	..	..
Lambert, Alf.	..	10	91	12
Langleys	..	75	75	130
Do. pref.	†1.00	65	65	75
Legare pref.	†2.00	21	..	22
Lindsay, C. W.	..	10	10	..
Loew's Theatres	4.00	75	72	..
London Can. Inv.	†8.30	105	981	110
Mackin Steel	..	15	151	..
Do. pref.	5.00	89	89	..
Mailman Corp. pf.	5.00	90	..	92
McBrine pref.	1.00	17	161	17
McCabe Gr. B	.40+**.05	9	91	..
Melchers pref.	.60	101	101	11
Mersey Paper	†3.50	81	75	..
Mica of Can.	†.10	1.00	.90	..
Mitchell, J. S.	5.00	105	100	..
Mon. Life 40% pd.	12%	140	136	..
Mont. Is. Pr.	..	15	1.50	2.50
Mont. Telegraph	3.20	501	501	..
Moore Corp. pf. A	▲7.00	418	424	..
Do. pref. B	▲7.00	564	636	..
Morgan, H. 41% pf	4.75	101	101	..
Murphy Paint	.80	211	22	..
Nat. Hosiery A	.60	261	271	30
Neon Pr. of W. C.	.80	151	151	..
Nor. Trusts	.80	34	..	..
N. S. L. & Pr. pf.	6.00	106	106	110
Nuclear Ent.	†5.00	81	7	81
Oakville Wood	..	51	5	51
Ont. Beauty Sup.	..	60	55	70
Ontario Loan	5.00	135	..	150
Ont. Steel pref.	7.00	140	140	..
Paton Mfg.	.80	15	111	..
Do. pref.	1.40	23	221	24
Photo Eng.	1.50+†.50	28	25	28
Premier Trust	2.00	57	571	..
Quebec Tele.	..	..	3	6
Quinte Milk B	†.10	3.15	3.10	..
R&M Bear. A	1.10+†.10	191	..	19
Regent Knit.	.50	211	221	25
Do. pref.	1.60	20	..	23
Reliance Grain	†11.00	60	50	..
Renfrew Textile A	.60	6	61	61
Renold-Cov. A	1.10+.20▲▲	181	15	20
Rivers Mill. B	1.00	15	..	13
Robinson Little A	1.00	131	131	141
Rolland Pap. pref.	4.25	81	85	90
St. Law. Flour pf.	7.00	125	..	130
Scarfe & Co. A	.80	14	131	14
Do. B	.40	71	7	..
Scythes & Co. pf.	1.25	251	241	..
Shea's Brew. A	.55	15	151	18
Sher. Wms. pref.	7.00	142	142	145
Shirriff's pref.	1.00	21	..	..
Sidney Roof.	.90	161	161	..
Silknit pref.	2.00	35	35	40
Simon & Sons	†.90	12	10	11
Do. pref.	5.00	1001	..	95
Slater, N. pref.	2.12	49	..	50
Stand. Clay	..	111	7	16
Sterling Trust	8.00	130	1261	..
Stovel Press pref.	.50	3.50	3.50	3.70
Stowell A pref.	1.50	17	17	..
Do. B	..	7	7	..
Stuart, D.A. pf	.80+†.60	17	18	20
Sun Publishing	†1.05	20	20	201
Taylor Pearson	.40	61	61	7
Do. 5% pref.	.50	11	11	111
Tip Top Can. A	.50	91	..	81
Tor. Mtge.	5.00+**.25	125	116	125
Traders Bldg.	1.20+**.30	21	211	..
Traders Fin. B	2.00	26	24	251
Do. A rights	1.00	20	171	22
Do. B rights	1.00	17	171	..
Twin City pref.	▲2.50	16	..	..
Un. Acept. Corp.	..	3.25	3.00	3.75
Do. pref.	.60	71	7	71
Un. Amuse. B	1.00+†.75	20	26	..
United Distill.	1.00	25	..	26
Viau Ltd.	2.00+†1.00	40	35	..
Waterous Ltd. A	.80	101	10	12
Wellington Fire	3.50	58	..	90
Wesley Mason M.	5.50	87	..	90
West. Grain	..	.55	.55	..
Do. pref.	..	60	..	..
West. Koot. pref.	7.00	170	170	..
W'minster Pap. A	.50	9	9	..
Willson Stat.	..	12	121	91
Do. pref.	5.00	981	971	..
Willson, J. C.	.60+†.05	10	..	..
Windsor Hotel	..	25	25	26
Woods Mfg.	†1.00	28	251	29
York. Knit. A	.40	61	6	61
Zellers 5% pref.	1.25	261	261	261

▲N. Y. funds. ♦After stock split. †Paid or payable in 1950. **Paid or payable in 1951. ‡3 shs. par pfd. for each sh. held. ■■One 4% $100 par pref. share for each common share held. ▲▲Participating divd. z● shs. $1 par pfd. for each share held.

Mining Stocks

Company	Div. Rate $	Last sale	Jan. 12 Bid	Ask
Akaitcho B warr.	...	.10	.10	..
Arno	...	.03	.02	.031
Band Ore	...	.03	.031	..
Bayonne	...	.02	..	..
Bob's Lake	...	.03	.03	.04
Bouscadillac	...	.03	.021	..
Bridge River	...	.021	..	..
B.R.X. Con.	...	.04	..	.05
Bruce Cons.	...	.01	.01	.011
Celta Devel.	...	.03	.031	..
Congress	...	.08	..	..
Cryderman	...	.001	.01	.02
Dickstone C.	...	.03	.03	..
Flin Flon	...	.01	.01	.02
Forty-Four	...	.76	.75	.80
George Copper	...	.10	..	..
Golconda	...	.221	.21	..
Grandoro	...	.17	.16	.22
Great Falls	...	.001	.011	.03
Grull Wihksne	...	.021	..	..
Gunnar Gold	...	.13	.13	.15
Hudson R.	...	.10	.12	.14
Island Lake	...	.001	.001	.011
Island Mountain	†.05	.89	..	..
Kirk. Town	...	.14	.15	.17
Martin McN.	...	.05	.041	.051
McGillivray C.	...	.08	..	..
Mentor Explor.	...	1.50	1.25	..
N. Louvre	...	.05	.04	..
Newnorth	...	.041	.041	.041
North Canada	...	.45	.49	.54
North. Empire	†.15	1.00	1.26	..
Pitt G.	...	.04	.04	..
Powell Rouyn V.T.	†.08	.95	.86	1.03
Red Crest	...	.02	.021	.05
Red Hawk	...	.041	.031	.041
Sand River	...	.03	.021	.04
Soma Duv.	...	.031	.04	..
S. American G.	...	1.10	..	..
Star Lake	...	.001	.001	..
Taylor B.	...	.20	.201	..
Tiblemont	...	.03	.03	..
Vananda '48	...	.11	.11	.12
Vinray	...	.031	.031	.031
West Mal.	...	.051	.051	.09
Westville	...	.041	.04	.041
Yukon Cons.	†.06	.50	.45	.55
—OIL STOCKS—				
General P.	**.10	5.00	5.00	5.75
Nordon	...	.05	.09	.12
Petrol Oil	...	.35	.27	.40
Texas Can.	...	.40	.50	..
Turner V.	...	.21	.171	..

*N. Y. funds. †Paid in 1950. **Paid or payable in 1951.

Government Bonds

Jan. 16, 1951 (Supplied by Investment Dealers' Assoc. of Canada)

%	Due	Bid	Ask
Victory Loans:			
3	Mar. 1954 ...	101¼	101½
3	Nov. 1956 ...	101¼	101½
3	May 1957 ...	100¾	101
3	Jan. 1959 ...	99¾	100¼
3	June 1960 ...	99¾	100¼
3	Feb. 1962 ...	99¾	100¼
3	Oct. 1963 ...	99¾	100¼
3	Sept. 1966 ...	99¾	100¼
Dom. of Can. Bonds:			
3	June 1956 ...	100¼	100¾
3¼	Feb. 1951 ...	100½	101
3¼	June 1966 ...	101	102
3	Perpetual ...	†99½	100
2¾	June 1968 ...	96¾	97¾
3¼	Feb. 1952 ser. C ...	102¼	102¾
Can. Nat. W. Ind. S.S.:			
5	Mar. 1955 ..	■115	117
Grand Trunk Pacific Rly.:			
3	Jan. 1962 ..	■107½	109½
4	Jan. 1962 ..	■117½	119½
Dom. Guaranteed Bonds			
Can. Nat. Railways:			
3	Jan. 1959 ...	99½	100
4½	Feb. 1956 ..	■115½	117½
4½	July 1957 ..	♦117½	119½
5	Feb. 1954 ...	105½	106½
4¾	June 1955 ..	■115	117
2¾	Jan. 1967 ...	96½	97½
2¾	Sept. 1969 ...	97½	98
3	Jan. 1966 ...	99	100

%	Due	Bid	Ask
Provincial Govt. Bonds			
Alberta:			
2¾	Dec. 1953/57.	98½	100
British Columbia:			
4½	Jan. 1969 ..	♦129½	131½
5	Sept. 1953 ...	104	105
3	Dec. 1960 ...	97½	99½
3	June 1964 ...	97½	98½
5	Sept. 1959 ..	♦122½	124½
B. C. Power Comm.:			
3	Oct. 1967 ...	96½	97½
Manitoba:			
4	Dec. 1957 ..	♦112½	114½
5	Dec. 1959 ..	■122½	124½
5½	July 1958 ...	115	117
3	Oct. 1965 ...	97½	98½
4½	Dec. 1956 ..	♦114½	116½
New Brunswick:			
4½	Apr. 1961 ..	♦112½	114½
2¾	June 1966 ...	88½	90½
3½	May 1957 ...	97½	98½
3½	Sept. 1965 ...	97½	98½
Nova Scotia:			
3½	June 1956 ...	100½	101½
4½	Nov. 1960 ..	♦119½	121½
5	Mar. 1960 ..	♦122½	124½
3	June 1956/58.	98½	100
2¾	Sept. 1966 ...	93	95
3½	June 1963/65.	99½	100½

%	Due	Bid	Ask
Ontario:			
2¾	Nov. 1965/69.	93½	94½
3½	May 1952/55.	100	101
4	June 1962 ..	■117½	119½
4½	Jan. 1962 ..	■122½	124½
2¾	July 1967/76.	91½	93½
3	Nov. 1963/65.	98	99
5	May 1959 ..	■122½	124½
Ont. Hydro Commission:			
4	Aug. 1957 ..	■113½	115½
2¾	Oct. 1965/68.	93½	85½
3	Dec. 1963/65.	97½	98½
3	Nov. 1967/69.	96½	97½
Prince Edward Island:			
3½	Dec. 1961 ...	99	100
Quebec:			
3½	Mar. 1954/59.	101	102
3¾	Feb. 1952/55.	100¾	101½
4½	Aug. 1958 ...	106¾	107¾
4½	Jan. 1963 ...	111	113
3	Sept. 1962/64.	98	100
Quebec Hydro Commission:			
3	Feb. 1969/73.	97	98
3	Dec. 1958/60.	99	100
Saskatchewan:			
4	Nov. 1955/60.	102½	104½
5	Aug. 1958 ...	108	110
4½	Mar. 1960 ..	♦116½	118½
5½	Oct. 1952 ...	102¾	103¾
6	Mar. 1952 ...	102¾	103¾
5	Dec. 1959 ..	♦119½	121½
3	Mar. 1963 ...	96½	98½
3½	Nov. 1960/62.	98½	100½
3½	Oct. 1962/65.	102½	104½

†Callable on or after Sept. 15, 1966.
■Payable Can., N.Y. or £.
♦Payable Can. or N.Y.

Unlisted Stocks

(Compiled from quotations by Intercity Securities Ltd., Toronto and Kippen & Co. Montreal)

Jan. 16, 1950

	Bid	Ask
Allens Toronto Units	42.50	....
Anglo-Can. Pulp & Paper	19.50	22.00
Anglo-Can. Tel. A	11.25	11.75
Beauharnois L. H. & Pr.	28.00	29.50
Brand & Millen A	.32	.37
British Mtge. & Trust	195.00	....
B. C. Sugar	95.00	....
Brockville Trust Co. $50 par	64.00	....
Canadian Motor Lamp	19.50	21.00
Can. Superior Oils	9.25	10.00
Can. West Nat. Gas Co.	70.00	....
Do. pfd.	19.00	20.25
Capital Wire Cloth com.	15.00	18.00
Carlton Club	30.00	40.00
Chase, A. W. units	53.00	56.00
Colonial Steamships Com.	145.00	....
Commercial Finance Com.	23.00	....
Commercial Life 10% Paid	10.75	....
Continental Life 20% Paid	46.00	....
Cooksville A	18.50	20.00
Do. B	11.00	13.00
Cuban Can. Sugar Com.	5.50	....
Detroit Intl. Bridge	15.50	16.75
Dover Industries Ltd.	8.50	9.25
Do. pfd.	105.00	....
Dupuis Freres Pfd.	23.00	25.00
Empire Life 25% paid	18.50	....
Foreign Power Sec. pfd.	....	19.00
Galt. Brass com.	33.00	....
Goderich Elevator & Trans.	14.50	15.50
Guaranty Co. of N. America	410.00	....
Hart Battery Com.	9.50	....
Husky Oil & Ref.	5.25	....
Lambton Golf	120.00	145.00
Lambton Loan & Inv. $50 p.	85.00	....
Laprairie Com.	7.00	....
Do. pfd.	105.00	....
Medical Arts Bldg. Toronto	39.00	42.00
Monarch Life 40% paid	138.00	145.00
Mountainview Apts. Pfd.	28.50	....
Nat. Drug & Chem. Com. N.	8.00	9.00
Do. Pfd.	11.00	13.00
National Life 25% Paid	63.00	69.00
New Brunswick Telephone	11.00	12.25
Niagara Lower Arch Bridge	57.00	61.00
Northern Tel. Com.	1.50	1.75
Oakville Golf Club	25.00	35.00
Ont. & Que. Rly. 5% c. stk.	141.00	....
Peller Brewing com.	....	1.00
Do. pfd.	9.25	10.75
Provincial Bank of Canada	16.50	17.25
Prudential Trust	13.50	15.00
Reliance Petroleum Pfd.	41.00	44.00
Ritchie Cut Stone Pfd.	10.00	11.25
Rosedale Golf	1.40	1.50
St. Andrews Est. Units	1.25	....
Sawyer Massey Com.	1.25	....
Seiberling Rubber Com.	6.25	....
Sincennes McNaught. Tugs	2.00	2.75
Sherbrooke Trust	140.00	....
Sovereign Life 25% paid	60.00	68.00
Standard Fuel pfd. 4½%	37.00	39.50
Do. com.	3.00	4.50
Summit Golf	15.00	....
Sun Life Assce.	1,420.00	1,450.00
Third Can. Gen. Inv.	4.45	4.75
United Co-Op's Ont. Pfd.	2.00	....
United Co-Op's Ont. pfd.	2.00	....
Un. Steel Pfd. (div. $1.50)	23.75	24.75
Victoria Trust & Savings	190.00	....
Waterloo Mfg. com.	6.00	6.75
Waterloo Trust & Savings	125.00	129.00
Western Grain Pfd.	63.00	....
York Downs Golf net	40.00	....
Do. free trans.	235.00	....

Significant Investors' Index Numbers

No. of Securities	Mach. and equip.	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied prod.	Beverages	Bldg. mater.	Power and traction	Banks	Total utilities	Total co's
	10	10	4	5	10	15	10	16	12	8	16	106
*1935 to date:												
High	247.7	287.9	149.7	132.7	221.9	138.5	447.0	168.5	146.2	136.3	149.0	126.1
Low	69.7	51.6	61.2	41.2	78.4	79.5	79.3	66.7	60.2	60.0	65.2	61.1
1950: Monthly Figures:												
Jan.	231.5	286.1	90.7	82.8	235.0	123.7	351.0	169.1	114.7	143.0	124.3	119.0
Feb.	229.9	291.7	86.1	80.5	236.9	123.2	355.8	169.7	116.5	143.0	125.2	118.3
Mar.	241.5	304.9	83.8	80.3	245.7	119.1	371.7	168.9	121.9	142.9	128.6	118.7
Apr.	250.4	326.2	85.8	93.3	247.4	120.6	394.5	174.8	127.2	144.4	132.2	125.9
May	270.1	352.8	86.5	94.9	263.8	122.3	383.5	177.0	125.4	146.1	131.2	128.7
June	280.1	361.4	85.3	95.8	259.4	123.2	381.6	180.4	127.4	148.9	134.6	130.9
July	277.2	330.4	81.9	89.3	238.8	118.4	354.6	168.1	116.6	145.3	127.4	124.3
Aug.	328.5	374.5	87.5	99.9	263.3	120.7	384.6	186.7	123.8	145.7	133.6	135.7
Sept.	349.8	397.8	89.8	104.4	273.6	120.7	403.1	196.0	128.4	148.4	138.2	141.5
Oct.	358.0	431.1	91.7	106.5	290.7	123.4	428.0	212.5	129.0	153.4	138.6	145.4
Nov.	355.1	446.2	91.1	102.6	302.4	123.4	430.6	211.3	126.4	154.8	137.1	144.5
1950: Weekly Figures:												
Dec. 7	346.7	432.1	91.3	98.8	301.1	124.1	411.0	207.3	124.7	125.5	137.3	142.4
Dec. 14	357.7	441.9	95.4	98.4	309.7	125.2	417.6	212.0	126.6	151.3	139.3	144.0
Dec. 21	392.1	444.4	96.0	101.5	315.0	124.1	442.0	219.4	128.5	152.6	143.6	148.4
Dec. 28	397.3	456.7	96.9	103.2	321.6	126.0	444.6	223.5	130.5	154.1	144.4	150.3
Jan. 4	401.5	459.6	96.7	105.3	335.9	126.2	442.7	232.2	129.9	153.3	144.9	152.1
Jan. 11	408.0	475.3	107.2	107.5	366.4	125.3	433.9	244.9	133.5	156.7	147.5	155.2

*High and low for year from 1935 to date inclusive are based on weekly figures issued by the Dominion Bureau of Statistics.

Dow-Jones Closing Stock Averages

	30 Indust.	20 Rails	15 Util.	65 Stocks
Jan. 15	245.02	82.40	42.11	91.11
Jan. 13	243.61	82.08	42.08	90.72
Jan. 12	243.81	81.63	42.15	90.63
Jan. 11	244.72	80.67	42.09	90.44
Jan. 10	240.40	78.50	41.63	88.68
Jan. 9	243.50	79.75	42.04	89.86
Month Ago	231.01	76.01	39.03	85.07
Year Ago	197.17	54.41	40.79	71.51
1950-51 High	245.02	82.40	44.26	91.11
1950-51 Low	196.81	51.24	37.40	70.34

Toronto Stock Exchange Index

	20 Indust.	20 Golds	15 B.M.	15 W.O.
Jan. 15	305.81	90.05	174.30	89.53
Jan. 13	304.35	89.57	174.07	88.54
Jan. 12	304.03	85.98	173.85	87.96
Jan. 11	302.87	74.04	173.92	86.95
Jan. 10	299.39	81.64	169.74	83.49
Jan. 9	302.12	82.87	173.19	86.02
Month Ago	282.66	71.90	156.58	75.20
Year Ago	206.28	101.74	110.17	63.09
1950-51 High	305.81	105.15	174.49	93.44
1950-51 Low	203.27	69.57	104.35	58.45

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Com.	10 Pprs.	15 Golds
Jan. 15	86.8	210.9	169.5	692.41	64.56
Jan. 13	86.8	210.4	169.2	684.64	62.72
Jan. 12	86.8	209.8	168.8	685.36	63.32
Jan. 11	85.5	208.7	167.6	680.92	61.58
Jan. 10	85.1	205.9	165.6	655.89	60.80
Jan. 9	85.4	208.3	167.3	666.17	58.59
Month Ago	84.0	186.1	152.0	634.01	53.41
Year Ago	75.0	141.0	119.0	372.00	65.31
1950-51 Hi.	86.8	210.9	169.5	692.41	68.87
1950-51 Low	74.5	138.0	117.2	355.89	50.97

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Jan. 16, 1950

Public Utility Issues:	Int. Rate %	Due	Bid	Ask.	Prev. Week Bid
▲Alg. Cen. H.B.R.	5	'59	95	98	90
Bell Telephone	3	'77	96	99	96
B. C. Electric	3½	'67	94	96½	94½
Do.	3½	'75	96	98½	96½
Do.	3¾	'69	99	101½	99½
Calgary Pwr.	3½	'72	97	100	97
Can. West Nat. Gas	3½	'71	97½	100	97½
East Kootenay	3¾	'67	92	96	92
‡Gatineau Pr. D	3½	'70	99	102	98
Gt. Lakes Pwr.	4½	'69	97	100	97
Int. Prov. Pipe Line	4	'70	290	300	290
L. St. Law. Pr.	3¾	'65	97	100	97
Maclaren-Quebec Power	3	'69	96	99	96
Mtl. Trams. B	5	'55	99	102	99
Nat. Lt. & Pwr.	4½	'61	99	102	99
North. Que. Pr.	4½	'67	98	101	98
Power Corp.	3½	'67	96	99	96
Quebec Power	3	'62	97½	100	97½
St. Maurice Pr.	3½	'70	97½	100	97½
Shaw. W. & Pr.	3	'61	97	100	97
Do.	3	'71	97	99½	97
Do.	3½	'73	100	102½	100
Un. Fuel Invest.	4	'59	100	103	100
United Secs.	3	'52	99	102	99
Wpg. Electric	3½	'71	101½	104	101½
Industrial Issues:					
Abitibi Pr. & P.	3½	'67	100	103	100
Acadia-Atlantic Sugar	3¾	'65	101	104	101½
Aluminum Co.	3½	'74	100½	103½	100½
Anglo Can. Oil	4	'64	112	116	106
Bathurst P. & P.	3¾	'68	99½	102	99½
B. C. For. Prod.	4	'66	91	94	92½
B. C. Pulp & P.	3½	'67	98	101	98
Bowater's Nfld. P. & P.	3½	'68	97	100	97
Brompton Pulp & Paper	3½	'66	94	97	94
Burns & Co.	4	'63	98½	101½	98½
Calvan Petroleums Ltd.	5	'66	103	106	101
Can. Steamship	3½	'57	97	100	97½
Do.	4	'66	98½	101	98½
Can. Bread	4½	'67	98½	101½	98½
Can. Brew.	4	'69	96½	99	96½
Can. Canners	3¾	'70	101½	104	101½
Can. Celanese	3	'62	98	101	98
Can. West. Lum.	4	'62	98½	101	98½
Can. Oil	3½	'62	99½	102	99½
C.P.R.	3½	'70	112	115	108
Cockshutt Plow Co.	4½	'65	100½	103	100½
Columbia Cell.	5	'68	102	105	101½
Consol. Paper	3½	'67	100½	103	100½
Dom. Textile	3½	'59	100½	103	100½
Dom. Woolens	5	'64	93	98	93
Dryden Paper	4	'65	98	101	98
E. B. Eddy	3½	'66	99	102	99
English Elec.	4	'67	94	97	94
Federal Grain	4	'64	99	102	99
Gen. Steel Wares	3½	'70	98	101	99
Gt. Lakes Pap.	3½	'67	100	103	100½
Gt. Plains Dev.	1-4	'65	93	97	87
Imp. Tobacco	3	'70	96½	99	96½
Imperial Oil	3	'69	97½	100	97½
Indust. Accept.	4	'69	97½	100	97½
Lake St. J. P.	5	'61	101½	104	101½
Laurentian Silk	4½	'67	98	101	98
MacMillan (H.R.) Ex.	4	'65	100	103	100
Maple L. M.	3¾	'63	98	101	98
McColl-Fronten.	3	'71	94½	97	94½
Mercury Mills	4	'63	92	95	92
Mon. Knitting	4	'66	95	98	95
N. S. Steel Coal	3½	'63	98	101	98
Penman's	3½	'66	99	102	99
Price Bros.	3½	'66	99	102	99
Silv. Dairies	4	'60-64	98½	101	98½
Do.	4	'71	92½	96	92½
Simpsons Ltd.	3½	'80	100	103	100½
Steel Co. of Can.	2¾	'67	94	97	94
Tor. Elevators	3½	'66	99	102	99
Traders Fin.	4	'65	100	103	100½
United Corp.	4	'58	100	103	100
United Steel	4	'60	99	102	99
West. Can. Brew.	5	'67	98	101	98
*Western Grain	5	'63	98	101	98
York Knit. Mill	3½	'71	90	94	90

*Payable in Canada, U. S. or U.K.
▲Payable in Canada only.
‡Payable in Canada or U. K.

Unlisted Mines, Oils

(By the Broker-Dealer Assoc. of Ontario)

Approximate quotations, 3.00 p.m., Jan. 15, subject to confirmation and change. An asterisk (*) indicates an increase in price, a dagger (†) a decrease in price.

	Bid	Ask
Abenakis	2	4
Advance	*4½	5
Alexander	3	4
Ama Kir	4	5
Angus	..	45
Anna'que	5½	6½
Arctic	3	4
Argonaut	1	2
Ava	8	10
Barber N	1	3
Beacon	*23	27
Beaulieu	1	2½
Beauriv	1½	3
Bi Ore	8	11
Biroco	*6	8
Blondor	1	2
B McDade	*8	11
Bour C	4½	6
Bouzanne	10	12
Braminco	19	22
Bright RL	2	3
Burley Po	1	2
Camlaren	7	10
Camray	*6	8
Captain	3	5
Cassidy	1	2
Cent Man	†27	30
Cock	1½	3
Columbier	3½	4½
Con Chib	†14	16
Con Cop	8½	10
Conecho	17	20
Craibbe	4	6
Croydon	3	5
Cuyuni N	26	30
Derlak	*3	4
De Sant	3	5
Doris	1½	2½
Dunvegan	4	6
Durham	†6	8
E Lund	5	7
Echo Ind	2	4
El Bonanz	*9½	11
Elmac	3	5
Erin Kirk	1½	2½
Flicka	1	2
Forty For	75	85
Gan Cop	5	7
Glencona	4½	5½
Gmaque	20	22
Gldflds U	20	25
Goldmac	*19	22
Gov Gold	3	5
Grd Chib	45	..
Greenlee	3½	5
Habitant	3	4
Halden	1½	3
Harker	3½	4½
Hornfault	12	14
Independ	†13	15
Insco	*12	14
Isle Pinn	12	14
Jerome	18	22
Kamlac	22	25
Ken Bay	†6	7
Kenda Pe	5	7
Kenogami	*4	5
Kirk GG	1	2
Lard Add	4	6
LaSalle	*3	4
Lassie	4	6
Lennie	2½	3
Lk Expa	4½	6
Lower Can	2	3
Lun-Echo	8	10
Mallen RL	7	8
Mar Bird	2½	3½
Marquette	½	1½
Mary Ann	6¾	8
Mat Con	18	22
Mate Yel	5	6
McCuaig	*3	4
McManus	4	6
Metalore	6	7
Miles RL	3	5
Mindus	†60	65
Mink	2	4
Mistassini	4	6
Mohawk P	1½	2½
Murmac	6	7½
Nat New	6	10
N Redwd	12	17
New Aug	5	7
Newcor	6	8
New Mal	3	4
Nickel L	7	10
Nickel O	435	..
Norbeau	85	95
Norbec	11	13
Norcourt	3½	4½
Norford	1½	2½
Normar	1½	2½
Novele P	1	3
Obalski O	4	..
do '45	*12	15
Oklend	8	10
Olivet	2	3
Opemiska	38	42
Orofino	47	50
Ortona	*5	6
Pascalis	12	15
Payne	6	8
Pelangio	2	3
Phelps	½	1½
Presdor	1	2
Privateer	7	9
Quejo	*5	7
Quyta	12	15
Que SR	23	25
Quest	1½	3
Rand M	†7½	8½
Randona	3½	4
Redruth	*4	6
Redwood	4	5
Rhyolite	2	3
Richgroup	5	7
Roy Silv	26	29
Russet	3	4
Salm Co.	60	70
Santiago	4	6
S Dufalt	5	7
Sepha	2½	4
Sheldon	10	13
Silv Arro	6	8
Skynner	1½	2½
Snow L	3	4
Starlight	1	3
Sunbear	2½	3½
Tobico	1	2
Vauz Duf	*33	35
Vinray	3	4
Viking	13	14
Walcoro	4½	6
West Loc	8½	10
West RL	2	3
Y Davids	19	22
Yel'knife	105	..
do vt.	100	..
OILS		
Ajax	48	50
Crusader	..	10
Devon	*46	50
Franco	46	52
Granleduc	8	..
Jet	*8	10
Lingnora	8	9
Major Oil	2½	3½
Nw Ranch	3½	5
N Pr'ces	*165	175
P Oil Ref	35	40
Vermilion	20	24

Investment Trusts

	Bid	Ask.
Affiliated Funds	4.72	5.11
Can. Invest Fund	6.00	6.60
Corporate Invest	5.45	5.89
Commonwealth Int.	4.87	5.35
Investors Mutual	6.02	6.51
Leverage Fund	3.64	4.00
Mut. A. Funds	12.07	12.96
Resources of Can.	5.56	6.11
Timed Invest.	4.45	4.89
Trans-Canada	18.00	....
Do. B	18.85	20.35

Market Comment

What stocks and bonds are doing and what prominent observers say

Speculative buying picked up steam this week as more and more traders jumped on the bull market wagon. First one stock group then another was hoisted higher as traders shopped frantically for diminishing supplies of attractive stock situations.

Many new faces in brokerage board rooms attest to the fact that at long last the man-in-the-street is being enticed back into the market.

It looks now as though high business activity is assured indefinitely and that the chief market uncertainty is taxes — both corporate and personal. While there is no doubt that every effort will be made to get the utmost out of corporations and the individual, there are many indications that both Washington and Ottawa realize there is a limit to taxation levies, and that beyond that limit earnings and production incentive begin to disappear.

Gold stocks were carried upward for the second week under fairly heavy volume as rumors persisted that Ottawa is seriously considering permitting mines to market 50% of their gold output on the world free market. Although free market prices move in a fairly wide range and change almost daily, price recently was reported at around $43 an ounce.

* * *

A. E. BOOTH: Bell, Gouinlock & Co. (Toronto)

The bond and stock markets continue to show the effect of inflation fears. The Ninth Victory Loan 3% bonds of 1966 are offered at 100 for the first time since their original offering. This issue sold at 102.50 just a few months ago. This drop in price is a natural consequence of the Government's credit control policy. On Oct. 16, the Bank of Canada raised the bank rate from 1½% to 2%, which gave warning that a change in the cheap money policy was imminent. How far this credit restriction policy will go no one seems to know, but to control inflation to any degree, will necessitate its continuance for some months at least, and higher interest rates on bonds appears probable. Those people living on investment income will certainly welcome this new trend.

The stock market continues its upward climb in spite of the prospect of higher corporate and income taxes. One would expect some notice to be taken of the credit restriction policy which must, if continued, be reflected in stocks as well as bonds. But inflation fears have brought many new buyers in Equities. Investment trusts, pension funds, estates and private investors are adding to their list of good stocks. This accounts for the unusual action of the market last week; one day the ticker was behind on the down-side and the very next day the ticker was behind on the upside. Money must be waiting ready to buy on any sell-off.

We are in an abnormal inflation market and may see speculative excesses. The prudent buyer will continue to base his judgments on the usual factors: — Earnings, position in the industry, management and ability to earn during a period of rearmament. Maybe it would be sound practice to have one's money invested in government bonds, sound equities and some revenue producing real estate.

* * *

BURNETT & CO. (Montreal)

In our opinion of September last, we stated that we considered that the trend of the market was upward, and with reservations we still consider this to be the case.

There seems no doubt that the primary cause of the rise in the market is inflation, and there appears little doubt that this will go further than it has at the present time. All the same, however, the factor of greatly increased taxation must be taken into account, and it seems almost certain at this writing that the net profits of corporations will not reach those of 1950.

The yield on bonds has not yet reached the level of that on first-class securities, and until this gap is more nearly closed we still think that, always provided an individual keeps a reasonable reserve in cash or fixed income securities, good common stocks are more attractive than bonds at present. With the international situation as it is, and the inevitable government spending on armament and equipment of all kinds, it is difficult to see how companies supplying such demands can avoid making money, and even if the civilian demand slackens this should be more than made up by the increased government spending.

Obviously if war with Russia breaks out between April and September, as seems a possibility, the market would have a severe reaction, but at the moment of writing the odds appear somewhat against this contingency, and, barring this, we feel that except for temporary reactions, first-class equities are still good value at the present time. We would again emphasize, however, that at this stage of the market, caution is more than ever necessary; that the individual should keep a proper proportion of liquidity in his holdings so as to take advantage of the inevitable reactions when they occur.

* * *

BARRON'S: The Trader (New York)

Rising commodity prices and rising wages are the most potent of inflationary pressures. Whether or not these developments are responsible for a change of heart in Washington, there is evidence that higher automobile prices will be permitted before long under a formula that will take into account both cost changes since Korea and expected cuts in production. The price stabilization authorities are prepared to bow to cost realities. The prospects are that over-all price controls will not be attempted much before summer. A little inflation is apparently preferred to a disruption of production.

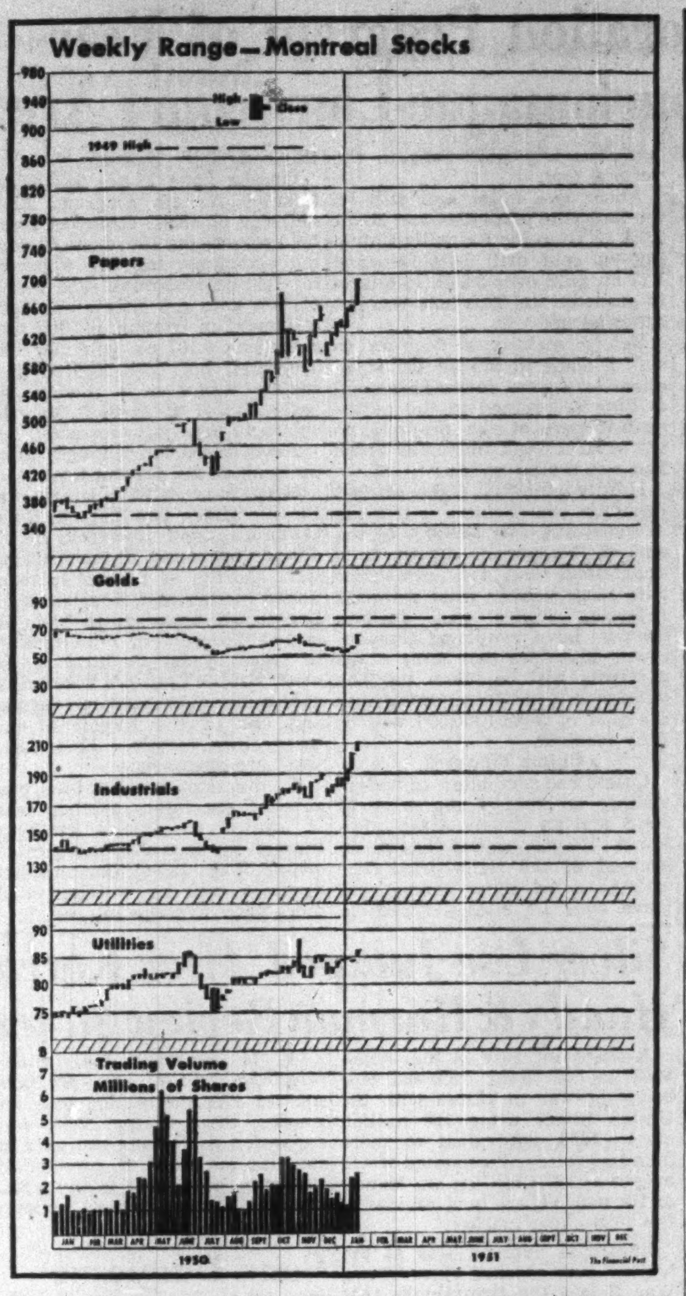
* * *

DOMINION SECURITIES CORP. (Toronto)

Many Canadian companies are participating in the current high level of business activity and their future, although based on the prospects of a semi-war economy, appears to be most favorable. Those companies which are successfully developing essential natural resources and those which, through the conduct of manufacturing processes, are allied with this development cannot fail to benefit from the stimulated demand and continue to grow with Canada whether under peace or war conditions. The best long-term investment opportunities appear to lie in the shares of such companies which are predominant in the development of the Canadian economy.

We continue to recommend the shares of the leading companies—those having a strong financial position, progressive and effective management and a growth potential. The physical expansion of such companies has been followed in most cases by a substantial growth in production, followed by rising earnings and higher dividends. The shares of these companies have provided some hedge through capital appreciation and higher income against the continuing depreciating value of the currency.

* * *



Dividends Declared

	This payment $	Date payable	Date of record
Aluminium Ltd.	†.75	Mar. 5	Feb. 9
Aluminum pfd.	.25	Mar. 1	Feb. 7
Anglo-Can. Tel. 4½% pfd.	.56¼	Feb. 1	Jan. 10
Anglo-Huronian	.25	Jan. 25	Jan. 3
Argus Corp.	.15	Mar. 1	Jan. 31
Do. pfd.	1.12½	Mar. 1	Jan. 31
Assoc. Tel. & Tel. 7% 1st pf.	†1.75	Apr. 1	Mar. 1
Do. $6 1st pfd.	†1.50	Apr. 1	Mar. 1
Atlas Steels	.25	Feb. 1	Jan. 3
Ault & Wiborg pfd.	1.37½	Feb. 1	Jan. 15
Bank of N. S.	.35	Feb. 1	Dec. 30
Bathurst Pr. A	.50+‡1.00	Mar. 1	Feb. 1
Do. B	1.00	Mar. 1	Feb. 1
Beaver Lumber	1.00	Feb. 1	Jan. 10
Do. A	.25	Apr. 2	Mar. 10
Do. pfd.	.35	Apr. 2	Mar. 10
Belleterre M.	.10	Mar. 15	Feb. 15
Blue Ribbon pfd.	.62½	Feb. 1	Jan. 20
Bowes A	.12½	Feb. 15	Jan. 31
Brant. Roof. A	.25	Feb. 1	Jan. 15
Do.	.25	May 1	Apr. 14
Do.	.25	Aug. 1	July 14
Do.	.25	Nov. 1	Oct. 15
Do. B	.10	Feb. 1	Jan. 15
B. C. Forest	.10	Feb. 1	Coup. 8-xc-31
B. C. Pulp & Pap. pfd.	1.75+■28.00	Feb. 1	Jan. 15
B. C. Tel. 4¾% pf.	1.18¾	Jan. 15	Dec. 29
Do. 6% pf.	1.50	Feb. 1	Jan. 17
Burns Bros. A	1.50	Jan. 27	Jan. 9
Do. B	.50	Jan. 27	Jan. 9
Do. A & B	.50	Apr. 27	Apr. 9
Do.	.50	July 27	July 9
Do.	.50	Oct. 27	Oct. 9
Butterfly Hose. pfd.	3.50	Jan. 29	Dec. 29
Caldwell Lin.	.20+‡.20	Feb. 1	Jan. 15
Do. 1st pref.	.38	Feb. 1	Jan. 15
Do. 2nd pref.	.20+‡.20	Feb. 1	Jan. 15
Can. Foils	.10	Feb. 15	Jan. 31
Do. A	.15	Feb. 15	Jan. 31
Can. & Foreign Secs.	.26	Dec. 29	Dec. 15
Can. Nor. Pwr.	.15	Jan. 25	Dec. 20
Can. Perm. Mtge.	.50	Apr. 2	Mar. 15
Can. So. Rlwy.	†1.50	Feb. 1	Dec. 27
Can. Vinegars	.20	Mar. 1	Feb. 15
Can. West. Cord. A	.12½	Feb. 1	Dec. 30
Can. Bk. of Comm.	.25	Feb. 1	Dec. 30
Can. Bronze	.32+‡.50	Feb. 1	Jan. 10
Do. pfd.	1.25	Feb. 1	Jan. 10
Can. Gen. Sec. A&B	4.00	Jan. 29	Jan. 15
Can. Ind.	.40	Jan. 31	Jan. 2
Can. Inv. Fund	.07	Feb. 1	Jan. 15
Can. Oil	.25	Feb. 15	Jan. 16
Can. Pac. Rlwy.	1.00	Feb. 28	Dec. 29
Do. pfd.	2%	Feb. 1	Dec. 29
Can. West. Lumber	.10	Apr. 16	Mar. 19
Do.	.10	July 16	June 18
Do.	.10	Oct. 15	Sep. 17
Coast. Brew.	.06	Feb. 1	Jan. 15
B. J. Coghlin	.20	Jan. 31	Jan. 15
Collingwood T.	.25+‡.25	Jan. 31	Jan. 10
Do. pfd.	.25+‡.25	Jan. 31	Jan. 10
Cockshutt Plow	.40	Mar. 1	Feb. 1
Do.	.40	June 1	May 1
Do.	.40	Sep. 1	Aug. 1
Commoil Ltd.	.05	Feb. 26	Feb. 9
Conduits Nat.	.60	Feb. 9	Feb. 3
Cons. Press A	.16¼	Feb. 1	Jan. 15
Craig Bit.	.25	Feb. 1	Jan. 18
Crown Cork	.50	Feb. 15	Jan. 15
Disher Steel A	.37½	Feb. 1	Jan. 2
Dome M.	.22½	Jan. 30	Dec. 30
Dom. & Anglo	1.25	Mar. 1	Feb. 15
Dom. Bank	.25	Feb. 1	Dec. 30
Dom. Bridge	.40+‡1.50	Feb. 23	Jan. 31
Dom. Fabrics	.20+‡.20	Feb. 1	Jan. 15
Do. 2nd pfd.	.37½	Feb. 1	Jan. 15
Dom. Oilcloth	.40+‡.50	Jan. 31	Jan. 18
Dom. Malting	.25	Feb. 1	Jan. 19
Do. pfd.	1.25	Feb. 1	Jan. 19
Dom. Tar	.25	Feb. 1	Jan. 2
Dom. Woollens	.12½	Feb. 1	Jan. 15
Dryden Paper	.40	Feb. 1	Dec. 30
Eastern Bak. pf.	1.00	Jan. 15	Dec. 30
Eastern Twps.	.25	Jan. 15	Dec. 30
Eastern Util. pfd.	.27½	Feb. 1	Jan. 15
Enamel & Heating	.35	Jan. 31	Dec. 30
Esmond Mills pfd.	.25	Feb. 1	Jan. 10
Federal Grain n. pf.	*.13	Feb. 1	Jan. 17
Foundation Co.	.35	Jan. 19	Dec. 29
Fraser Cos.	.50	Jan. 22	Dec. 30
Gen. Steel Wares	.25	Feb. 15	Jan. 17
Do. pfd.	1.25	Feb. 1	Jan. 5
Goodyear Tire pfd.	.50	Jan. 31	Jan. 10
Grafton & Co. B	.25	Feb. 1	Jan. 16
Grandview M.	†.01	Jan. 20	Dec. 22
Gypsum, Lime	.40	Mar. 1	Feb. 1
Do.	.40	June 1	May 1
Do.	.40	Sep. 1	Aug. 1
Do.	.40	Dec. 1	Nov. 1
Holden Mfg. A	.15	Feb. 1	Jan. 22
How. Smith	.50	Jan. 30	Dec. 30
Do. pfd.	.50	Jan. 19	Dec. 30
Howe Sound	†.75	Mar. 10	Feb. 28
Do. pfd.	†.56¼	Mar. 10	Feb. 28
Hudson's Bay	4%+2½%	Jan. 29	......
Hydro-Elec. Secs. B	.25	Feb. 1	Dec. 29
Imp. Bank	.30	Feb. 1	Dec. 30
Imp. Tobacco 4% pf.	.25	Feb. 1	Dec. 19
Inter-City Bak.	.10	Jan. 31	Jan. 17
Int. Nickel pfd.	†1.75	Feb. 1	Jan. 2
Int. Utilities	†.30	Mar. 1	Feb. 8
Island Tel. pfd.	*0.1875	Mar. 15	Feb. 28
Island Tug & Barge pf.	.25+‡.25	Mar. 1	......
Lamaque G.	.08	Feb. 1	Dec. 13
Laura Secord	.20	Mar. 1	Feb. 1
Laurentide Accept. A	.12½	Jan. 31	Jan. 15
Do. B	.05	Jan. 31	Jan. 15
Lewis Bros.	.15	Jan. 31	Dec. 30
Loblaw Inc.	†.25	Mar. 1	Feb. 2
M. R. A. Holdings	.31¼	Feb. 1	Jan. 15
Mailman Corp. pfd.	1.25	Jan. 31	Jan. 12
Massey-Harris	.50	Mar. 15	Feb. 17
McCabe Grain A	.15	Feb. 1	Jan. 15
Do. B	.10+‡.05	Feb. 1	Jan. 15
McColl-Front. pfd.	1.00	Jan. 20	Dec. 30
McIntyre M.	.50½	Mar. 1	Feb. 1
Mersey Pap.	§Stk. div.	......	Jan. 13
Minn. & Ont. Pap.	†.50	Jan. 25	Dec. 29
J. S. Mitchell	1.25	Apr. 2	Mar. 15
Mtl. Trust	1.00	Jan. 15	Dec. 30
Mt. Royal Dairies pf.	.31	Jan. 15	Dec. 30
Mt. Royal Rice	.15+‡.20	Jan. 31	Jan. 15
Nat. Grocers	.15	Apr. 2	Mar. 15
Do. pfd.	.37½	Apr. 2	Mar. 15
Nat. Hosiery A	.15	Apr. 1	Mar. 2
Do. A	.15	July 1	June 1
Do. A	.15	Oct. 1	Sep. 1
Do. A	.15	Jan. 1/52	Dec. 2
Nat. Sew. Pipe A	.60+‡.60	Mar. 15	Feb. 20
Nor. Tel.	.02	Jan. 15	Dec. 30
Northwest. Util. pf.	1.00	Feb. 1	Jan. 15
Ont. Steel	1.00	Feb. 15	Jan. 15
Do.	1.75	Feb. 15	Jan. 15
Penmans	.75	Feb. 15	Jan. 15
Do. pfd.	1.50	Feb. 1	Jan. 2
Pressed Metals	†.25	Mar. 1	Feb. 10
Price Bros.	.75	Feb. 1	Jan. 15
Purity Flour pfd.	.87½	Feb. 1	Jan. 15
Que. Power	.25	Feb. 23	Jan. 17
Quinte Milk A	.15+‡.10	Feb. 1	Jan. 24
Do. B	.10	Feb. 1	Jan. 24
Reitman's Ltd.	*.25	Feb. 1	Jan. 15
Do. pfd.	.25	Feb. 1	Jan. 15
Remington Rand	5% stk.	Jan. 31	Dec. 11
Riverside Silk B	1.00	Jan. 31	Dec. 29
Robinson Cotton	.10	Feb. 1	Jan. 3
Royal Trust	.85+▲.90	Feb. 1	Jan. 20
Saguenay Pwr. pfd.	1.06	Apr. 1	Mar. 12
St. Law. Corp. 1st pfd.	.50	Jan. 25	Jan. 4
Do. 2nd pfd.	.18¾	Jan. 25	Jan. 4
St. Law. Flour	.25	Feb. 1	Dec. 30
Do.	1.75	Feb. 1	Dec. 30
St. Law. Pap. 1st pf.	1.50	Jan. 25	Jan. 4
Do. 2nd pfd.	.60	Jan. 25	Jan. 4
Scarfe & Co. A	.20	Feb. 1	Jan. 15
Do. B	.10	Feb. 1	Jan. 15
Shaw. W. & P. com.	.30	Feb. 23	Jan. 17
Shea's Wpg. Brew. A	.27½	Feb. 15	Jan. 31
Do. B	.75+‡.25	Feb. 15	Jan. 31
Sherwin-Wms.	.25+‡.25	Feb. 1	Jan. 10
Shirriff's Ltd. pf.	.25	Feb. 1	Jan. 16
Do. cl. A	.06	Feb. 1	Jan. 16
Sigma M.	.25	Jan. 27	Dec. 28
Silver Miller	.03	Jan. 31	Jan. 12
N. Slater	.45	Feb. 1	Jan. 10
So Can. Pwr.	.40	Feb. 15	Jan. 19
Stand. Chem.	.12½	Mar. 1	Jan. 31
Do. pfd.	1.25	Mar. 1	Jan. 31
Stand. Fuel pfd.	.56¼	Feb. 1	Jan. 15
Stanley Brock A	.15	Feb. 1	Jan. 10
Do. B	.10	Feb. 1	Jan. 10
Steel Co. ord.	.20+▲.30	Feb. 1	Jan. 8
Do. pfd.	.20+▲.30	Feb. 1	Jan. 8
D. A. Stuart pf.	.20	Mar. 1	Feb. 15
Sun Life	‡10.00	Feb. 15	Jan. 30
Teck-Hughes	.05	Feb. 1	Dec. 13
Thrift Stores 10% st. div.		Jan. 31	Jan. 15
Union Gas	.20	Feb. 1	Jan. 5
United Corp. A	.38	Feb. 15	Jan. 15
Do. B	.35+‡.70	Feb. 28	Jan. 31
Ventures Ltd.	.15	Feb. 8	Jan. 25
Waterous Ltd. A	.20	Feb. 15	Jan. 31
Wesley Mason pfd.	1.37½	Feb. 1	Jan. 15
West. Can. Brew.	.25	Mar. 1	Jan. 31
West. Grocers com.	1.00	Feb. 15	Dec. 29
Wood, A. & J.	1.75+■1.75	Feb. 1	Jan. 15
Young-Davidson	.03	Feb. 15	Jan. 13
Zeller's Ltd.	.22½+‡.10	Feb. 1	Jan. 2
Do. 6% pfd.	.37½	Feb. 1	Jan. 2
Do. 5% pfd.	.31¼	Feb. 1	Jan. 2

†American funds. *Initial. ‡Extra. ■On arrears. ▲Extra distribution, $1 pfd. sh. for each 20 com. sh's. held.

Record of Financing

Sales by Municipalities, Provincial and Dominion Government. Offerings of Corporation and Foreign Securities

CORPORATE

Excelsior Refineries Ltd. — 5% sinking fund debentures, Due Mar. 31, 1965, $2,200,000, dated Jan. 1, 1951. Offered at $100 plus accrued interest to yield 5%, carrying a bonus of common shares at the rate of 100 shares per $1,000 bond and rights at the rate of 100 rights per $1,000 bonds by Harrison & Co. Ltd.

Livingston Wood Manufacturing Ltd.—5% first mtge. serial bonds series B, due July 1, 1963, $100,000, dated Jan. 1, 1951. Offered at $100 plus accrued interest to yield 5% by Harrison & Co. Ltd. and Yorkmount Securities Ltd.

La Congregation des Soeur Hospitalieres de Saint Joseph du Noveau Brunswick—3¼%, 3½% and 3¾% serial, term bonds debentures, due Oct. 1951-65, $250,000. Issued Jan. 15, 1951. Offered at $100 and accrued interest to yield 3¼%-3¾% by F. J. Brennan & Co. Ltd.

COMMON

Cronin Babine Mines Ltd.—$500,000 common shares ($1 par value). Offered at 35 cents per share by Hall Securities Ltd. and Carlile & McCarthy Ltd.

Commodities

	Latest week	Previous week	Same week last yr
Cattle	$29.25	$28.45	$21.15
Hogs	31.10	31.10	25.10
Copper, lb	.24½	.24½	.18½
Sugar, raw, lb.	.0582	.0580	.0520
Coffee, lb.	.55¼	.55	.50
Hides	.42	.37½	.24
Weekly Indices			
U. S. Labor	177.9	176.7	[illegible]
Dow Jones	216.79	204.80	[illegible]
Fisher's	185.2	185.2	160.3
Monthly Indices			
Retail (Dec.)†	171.1	170.7	161.5
W'sale (Nov.)	174.0	172.6	157.1
U. S. (Sept.)	169.5	166.4	153.7
Gt. Brit. (Sept.)	271.6	263.6	236.1

Note: The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base price of quotations is as follows: Cattle — Steers, good, up to 1,000 lb., top price, Toronto. Copper-electrolytic, New York. Coffee No. 4 Santos. Spot Raw Sugar 96 degrees centrifugal c.i.f. New York.

Company Meetings

Date	Company	Place
Jan. 19	Can. Iron Fdries.	Montreal
Jan. 19	Jellicoe Mines	Toronto
Jan. 19	O'Brien G. M.	Montreal
Jan. 23	Brand.-Henderson	Montreal
Jan. 23	Confederation Life	Toronto
Jan. 23	Nat. Trust	Toronto
Jan. 24	Trans.-Television	Hamilton
Jan. 25	Canada Life	Toronto
Jan. 25	London Life Ins.	London
Jan. 26	Can. Perm. Mtge.	Toronto
Jan. 26	Crown Life	Toronto
Jan. 26	John Labatt	London, Ont.
Jan. 26	Western Life Ass.	Hamilton
Jan. 30	Mid. & Pac. Gr.	Calgary
Feb. 1	Mutual Life Ass., Waterloo, Ont.	
Feb. 5	Catelli Food Prod.	Montreal
Feb. 6	Lake Erie & Nor. Rly.	Montreal
Feb. 12	Mtl. City & Dist. Svgs. Bk.	Montreal
Feb. 13	Sun Life	Montreal
Feb. 14	Economic Inv. Tr.	Toronto

Municipal Bonds

Jan. 16, 1951

	Coup. %	Matur.	Bid $	Ask $	Yld %
Victoria	3¾	'68	98½	100½	3.71
Vancouver	3¾	'69	99	101	3.67
Calgary	3½	'69	98½	100½	3.46
Edmonton	3½	'69	98½	100	3.50
Regina	3	'64	93½	95½	3.40
Moose Jaw	3-3½	'60	94	97	3.60
Winnipeg	3	'69	95½	97½	3.16
Ottawa	3¼	'68	103	105	2.87
Toronto	3	'68	99	101	2.93
Hamilton	3	'67	98½	100½	2.96
Windsor	2½	'75	72	75	4.12
Windsor	2¾	'75	76	79	4.10
Windsor	3½	'75	88	91	4.07
Montreal	3	'70	94	96½	3.27
Quebec	3½	'64	100	102	3.31
Halifax	3	'66	95	97½	3.20
Saint John	3½	'65	98½	101	3.42

Stock Redemptions

Company:	Rate	Date	Price
▲Fraser Cos. pfd.	4½%	Jan. 22	†$102.00
*P. L. Robertson Mfg. pf.	....	Jan. 29	$44.20

▲15,000 shs.
†Plus a pay. of 29c per sh. for accrued divds. to redemption date.
*All outstanding.

Bond Redemptions

Bond Issues:	Rate	Year	Call	Price
■B. C. Telephone 15-yr. notes	4%	1962	Jan. 17	101.50
*Un. Grain Gr. 1st mtge. s.f. bds. ser. C	4%	1963	Jan. 13	103.00

■$126,000. *All outstanding.

Bond Tenders

12 noon, Jan. 18, 1951, Government of Canada Treasury Bills, payable Apr. 20, 1951, $75,000,000. Dated Jan. 19, 1951.

New Highs & Lows

During the week ended Jan. 13, 99 new highs were recorded among the general stocks on Canadian stock exchanges and 10 new lows. In the mining group there were 45 new highs and five new lows. In the western oil group there were five new highs and three new lows.

GENERAL

New Highs—1950-51

Abitibi Pwr. & Pa.
Acadia Atlan. S. A
Algoma Steel
Anglo-Nfld. Dev.
Argus Corp.
Asbestos Corp.
Ashdown Hdwre. B
Auto Electric
Auto Fabric B
Bathurst Pwr. B
B. C. Forest
B. C. Packers A
Do. B
Bruck Mills A
Do. B
Burlington Steel
Burnett
Can. Bread B pf.
Can. Steamships
Can. Wire & C. A
Cdn. Canners
Cdn. Dredge
Cdn. Oil
Cdn. Pr. & Pap. In. pref.
Cdn. Tire
Cdn. Vickers
Cdn. Westinghouse
Cockshutt Plow
Coll. Terminal
Comm. Alcohol
Do. pfd.
Conduits Natl.
Cons. Litho.
Cons. Paper
Cons. Press A
Cons. Textiles
Corr. P. Box 5% pf.
Cosmos Imp.
R. L. Crain
De Havilland A
Dom. Bridge
Dom. Fabrics 2nd pfd.
Dom. Foundries
Do. rights
Dom. Glass
Dom. Scot. Invest.
Dom. Steel & C. B
Dom. Stores
Dom. Textile
Economic Invest.
Fed. Grain $1.40 pf.
Fraser Cos.
Gt. Lakes Paper
Gypsum, Lime
Ham. Cotton
H. Smith Paper
Imp. Bank
Inter. Metal Ind.
Inter. Nickel
Invest. Found.
Journal Publishing
Lake of the Woods Milling
MacMillan Ex. A
Do. B
Maple Leaf Milling
McCabe Grain A
McColl-Frontenac
Mexican Light com.
Midland Pac. Grain
Minn. & Ont. Paper
Moore Corp.
Natl. Sewer Pipe A
Niagara W. & W.
North. Can. Mtge.
Ogilvie Flour
Penmans
Power Corp.
Do. 1st pfd.
Price Bros.
Royal Bank
St. Law. Pa. 2nd pf.
Scythes com.
Shaw. Power
Simpsons A
Do. B
Steel of Canada
Do. pfd.
Sterling Coal
Theatre Props.
Tooke Bros.
Tor. Gen. Trust
United Amuse. A
United Corp. B
United Steel
Wabassoc Cotton
Western Grocers
W'minster Paper B
Windsor Hotel
Wool Combing

New Lows—1950-51

Anglo-Can. Tel. pfd conv. pfd.
Auto Electric A
Consumers' Gass
Dom. Fdries 4½% pf
Hartz A
Indust. Accept. 5%
Lewis
Traders Fin. 4½% pf
Tuckett Tobac. pfd.
Zellers 6% pfd.

MINING

New Highs—1950-51

Amer. Nepheline
Anglo-Huronian
Ankeno
Bellekeno
Broulan
Chromium
Coast Copper
Cons. Candego
Frobisher
God's Lake
Goldhawk
Head of Lakes Iron
Headway
Highland-Belle
Hollinger
Hudson Bay
Labrador
Little Long Lac
Mackeno
Matarrow
Mining Corp.
New Calumet
Nipissing
Nisto
Noranda
Placer Dev.
Porc. Reef
Premier Border
Purdy Mica
Quemont
Reeves-MacDonald
Reno Gold
Sherritt G.
Silver Standard
Silanco
Silver Miller
Siscoe
Steep Rock
Sullivan Cons.
Surf Inlet
Torbrit
Ventures
Violomac
West. Uranium
Yk. Bear

New Lows—1950-51

Bulolo
Delhi
Lavalie
Mindamar
Ogama-Rockland

OILS

New Highs—1950-51

Calgary & Edmon.
Cons. Cordasun
Grease Creek
Okalta
Pac. Pete.

New Lows—1950-51

Emjay
Selburn Oil
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Talk Mill Plans For Lake Lingman

Plans are being made to reopen the property of Lake Lingman Lake Gold Mines.

Arrangements are being made to take in cement and lumber over the winter freighting route for construction of mill buildings.

New finances have been made available for this program, officials tell The Financial Post.

ANCHOR PETROLEUMS has been called for trading on the Toronto Stock Exchange. Authorized capital is three million shares of which 1,987,885 shares have been issued.

R. J. Ennis of McIntyre Announces Retirement

Because of continued ill-health, R. J. Ennis, vice-president and general manager of McIntyre Porcupine Mines has expressed his desire to retire and his resignation has been accepted, the company announces.

M. L. Urquhart, assistant manager, succeeds Mr. Ennis as mine manager.

Mr. Ennis, whose resignation becomes effective March 31, joined McIntyre's staff in 1911, becoming general manager in the following year and vice-president in 1941.

Many outstanding achievements in the way of new equipment and methods were adopted under the direction of Mr. Ennis for the benefit not only of McIntyre but for the mining industry as a whole.

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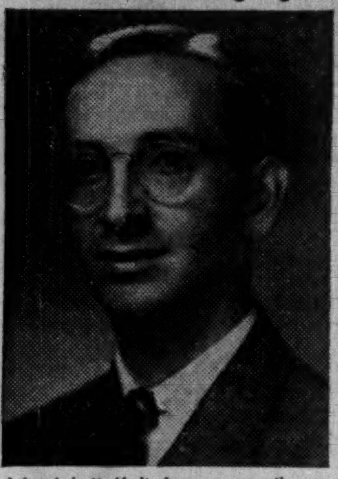

John Labatt Limited announces the appointment of Kenneth D. McNamara as General Purchasing Agent at the company's head office in London, Ont. Mr. McNamara is a science graduate of McMaster University, Hamilton, a diploma member of the Institute of Brewing, and has had 13 years' experience in the brewing industry. During the last war he served nearly four years with the Royal Canadian Engineers in Canada and overseas.

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Biggest Exploration Program of Years Slated For Bourlamaque-Louvicourt Area

With both East Sullivan and Golden Manitou providing sufficient ore news in recent months, a sharp upward swing of exploration is occurring in Eastern Bourlamaque and in Western Louvicourt twp. immediately to the east.

The list of companies and their activities—from west to east— is as follows:

Lavalie Mines—testing westward extension of Golden Manitou shear with some zinc values cut.

Gale - Cummings — working with two drills on the western extension of the Manitou break between G. M. and Lavalie.

Rainville Copper—sewing up $300,000 of new finances for drilling (likely to be followed by shaft sinking on No. 4 copper zone).

Chimo Gold Mines—launching a drill program on eastern part of its 320-acre Louvicourt property to test indicated anomalies next to where Dome is reported to have a drill hole showing copper values.

Beacon Mining — reported in Toronto financial circles to be securing interesting results on southeast part of its property north of Rainville.

Obaska Lake—diamond drilling a new anomaly on the west part of its property with shaft sinking scheduled to start at mid-week on wide gold-bearing area previously established.

Consolidated Astoria — planning drilling on its property adjoining to south of Rainville and Chimo.

Rainville Excites

Considerable interest attaches to the program of Rainville Copper Mines, both for the extent of the area of copper mineralization established and the indicated substantial financial arrangements.

Drilling in past years outlined a number of copper-bearing zones. Most important was the No. 4 zone. This zone was drilled at 100-ft. intervals for a length of 1,450 ft. to a depth of 150 ft. in the east section and 2,000 ft. in the west section. An estimate by the company places indicated tonnage at 325,000 tons of 1.32% copper to the above depths or approximately 2,000 tons to the vertical foot.

About two miles east still on the Rainville property—and about 2,000 ft. from the Rainville-Chimo line—a gold drill hole returned 1.27 oz. gold over 3.2 ft. in quartz in granodiorite. This hole was not followed up.

Before making a decision to sink a shaft to 375 or 400 ft. to open No. 4 zone, further diamond drilling is planned in the north-central part of the property to test several weak anomalies which had substantial width.

If fully exercised, rights offered Rainville shareholders will bring in something over $300,000 by the end of the current month. It is understood that two companies with large vendor share interests (Fleming Mines and Jacques Cartier) have completed arrangements to assure that their quota of rights will be taken up. The outlook is thus encouraging that the goal of over $300,000 will be fully reached.

Chimo Finances

Chimo has completed an underwriting on 100,000 shares at 25 cents and an option on an additional 100,000 shares has been granted at the same price. The taking up of these shares will leave over 1.3 million shares in this company's treasury.

Obaska Lake Mines has raised $190,000 for its program. Non-delivery of small electrical items held up sinking for about 10 days but actual sinking was expected to start at mid-week. The larger of two gold ore shoots has been estimated to contain 149,000 tons averaging 0.187 oz. gold per ton. The shaft has been located in a section where it is thought an ore width of up to 60 ft. may be shown in the shaft crosscuts.

About $145,000 is thought to be on hand at the present time.

With four drills operating at Lavalie Mines, two drills at Gale-Cummings and numerous drills already operating, or scheduled to start shortly, at properties mentioned further east, Bourlamaque-Louvicourt promises to have its largest program of mine-making in recent years. A little to the west, two of Canada's substantial gold mines (Lamaque and Sigma) and one of the largest of our newer base metals (East Sullivan) are operating.

As the same break which provided these mines further west is known to extend eastward through the area now being tested, course of the latest diamond drill program will be watched with more than average interest.

Silver Use Jumped After Korea Handy & Harman Review States

A sharp increase in the industrial use of silver followed outbreak of war in Korea with the United States using 120 million oz. in 1950, equivalent to more than two thirds of estimated world output of 157.2 million oz., Handy & Harman report in a review of the 1950 silver market.

Industrial demand was at the highest rate reached since World War II and the firm thinks that probably about 60% of silver used in the United States in 1950 was accounted for during the second half of the year.

Major portion of the increase resulted from expansion in the silverware production, although the increase was general in all products.

Silver production of the Western Hemisphere, including Canada, is estimated at 134.7 million oz., an increase of about 6% from the previous year. The largest increase was in the United States, which at 42 million oz. was 21% over the 1949 figure. Canada, at 21.5 million oz. was 15% higher but Mexico registered a decline of 2½ million oz. at 47 million oz.

While production outside the Western Hemisphere is difficult to calculate because of incomplete figures, Handy & Harman makes a tentative estimate of 22.5 million oz. produced as compared with 23 million oz. the year before.

"It is apparent that unless offerings from non-producer sources over the coming year are greater than during 1950, any expansion in demand can only be satisfied out of U. S. production, currently being sold to the treasury at 90½c per fine oz.," Handy & Harman reports.

Cons. Duquesne To Deepen Shaft

Extension of the shaft at Consolidated Duquesne Mines from its present depth of 750 ft. to 1,250 ft. is planned to get under way immediately with a contract being let to P. Harrison this week, The Financial Post is informed.

Ore reserves are estimated to be in excess of 48,000 tons averaging 0.437 oz. gold per ton. Deepening of the shaft was thought to be a more rapid and more certain way of extending these reserves than either development of the indicated north and south zones, or extension of workings to the west.

The plant is now completely electrified and it is thought that good time will be made in the sinking program. Diamond drilling to depth and results secured at deeper levels indicate that an enlargement of the ore measure at depth can be expected, the management states.

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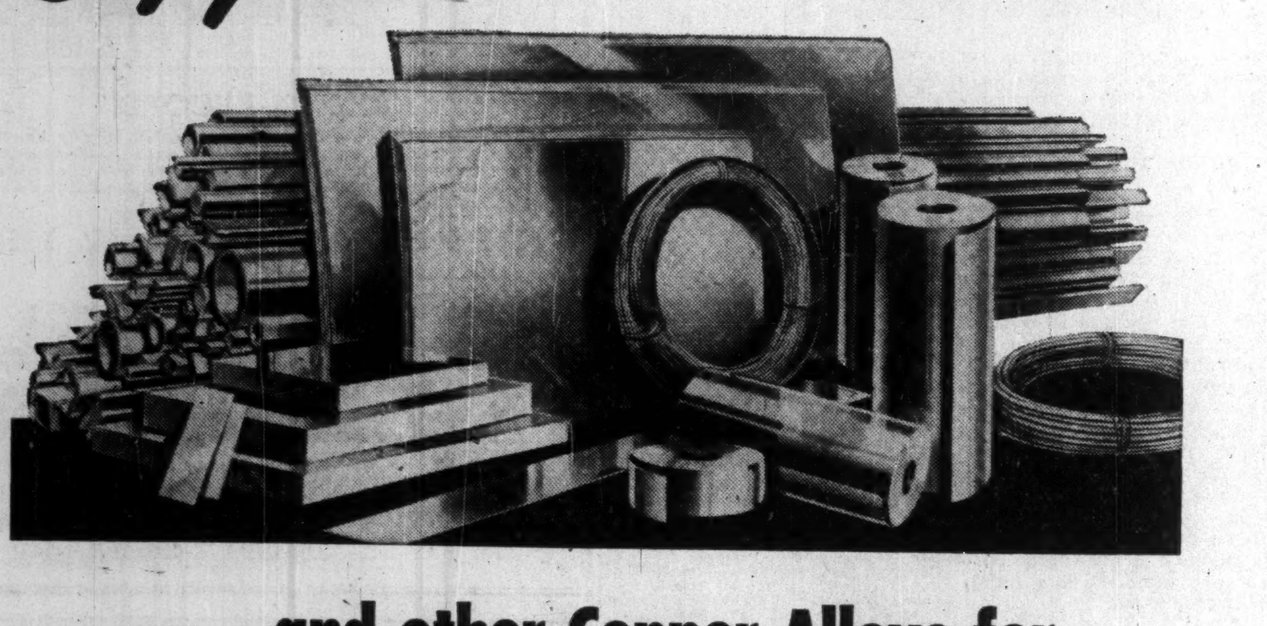

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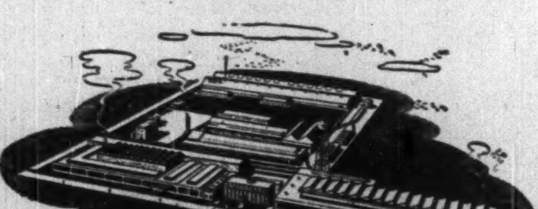

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Anaconda Copper & Copper Alloys

—Photo by Rice

JOHN R. HUGHES

a partner in the firm of Hughes & Co., Montreal, has been elected a member of the Montreal Stock Exchange.

Guichon Raises New Finances

A development program is being conducted by Guichon Mine which the management hopes will permit early consideration of production plans. If ore proves amenable to sink-float treatment, as seems possible, cost of achieving a worthwhile mill capacity will be appreciably reduced.

An offering of $150,000 of four-year secured sinking fund convertible 4% notes at $100 is being made by H. J. Bird & Co., Vancouver, to finance operations. Notes, besides being convertible into 200 shares for each $100 note, carry a bonus of 100 shares of stock.

The bonus of shares to note holders will be held for six months by the trustee and then released to persons entitled to them.

The Copperado shaft has been deepened to beyond 285 ft. in the sinking to an objective of 500 ft. Temporary levels have been established at 50, 100 and 200-ft. horizons.

No. 1 vein was followed from surface to below 100 ft. where the vein dip reversed, passing into the footwall of the shaft. At 175 ft., a vein with a southwest dip was intersected and at 189 ft. a third vein, with a true width of 5 ft. and similar dip was cut. A fourth vein was intersected at 200 ft. and at 250 ft. the shaft cut a fifth vein which appears to merge with No. 4 vein.

During 1950, Mr. B. W. W. McDougall, consulting engineer, obtained an average of 4.5% copper across a width of 7.7 ft. in a northwest face on the 50-ft. level. At the 100-ft. horizon, what is believed to be the downward persistence of the same vein, showed from 3% to 5% copper over a width of 6 ft.

No. 4 vein in sampling at 5-ft. intervals to the southeast of the shaft assayed from 1.70% to 5.45% and from 2.10% to 9.15% copper to the northwest. A 5-ft. width assaying 3.6% copper, cut while establishing a diamond drill station at the 250-ft. horizon, is thought to be the extension of No. 3 vein.

A section about a mile north of the shaft is stated to give indication of possible large tonnage which might justify surface shovel operation.

The current depth program as recommended by Mr. McDougall is to develop sufficient tonnage to warrant production on a minimum basis of 250 tons daily. He urges extensive lateral development and diamond drilling from the 500-ft. horizon, installation of additional power, construction of a new headframe, a further 300 ft. of sinking and at least 2,000 ft. of drifting and crosscutting.

The Guichon company is capitalized at two million shares of n.p.v. of which 850,000 shares have been issued.

Van Roi Opens Ore at Hewitt

Construction of the 100-ton concentrator and stockpiling of broken ore, will proceed simultaneously at the properties of Van Roi Consolidated Mines near Silverton in the Slocan district, it is stated.

Officials say that the program is planned so that when the concentrator is ready next August, a minimum of 6,000 tons of ore will be on stockpile. Mining of high grade ore at the Hewitt has started on a two-shift basis. Average of 12 face samples has given the following results: lead —5.65%; zinc—9.32%; and silver —28.4 oz.

These samples were all over an average width of 8.2 ft. and there remains about 2 ft. of ore to be slashed from the footwall.

Concurrently with the mining of ore at the Hewitt section, a diamond drilling program is under way on the Van Roi to prove extensions of known ore deposits. Results of the first holes in this campaign are expected shortly.

Equipment for the mill is on order and construction is scheduled to start in April.

BREWIS RED LAKE MINES has extended Dec. 31 option on 200,000 shares at 15c a share and each subsequent installment for a period of 60 days.

DISCOVERY YELLOWKNIFE MINES option agreement with Tidewater Securities has been terminated as Dec. 30 option installment was not exercised.

AUMAQUE GOLD MINES — has received payment for underwriting of 200,000 shares at 20c a share; balance of underwriting comprising 200,000 shares at 25c is payable Jan. 12 and option installments are to be exercisable at the rate of $10,000 monthly commencing Feb. 12. Issued capital is 3,657,500 shares, leaving 1,342,500 shares in treasury.

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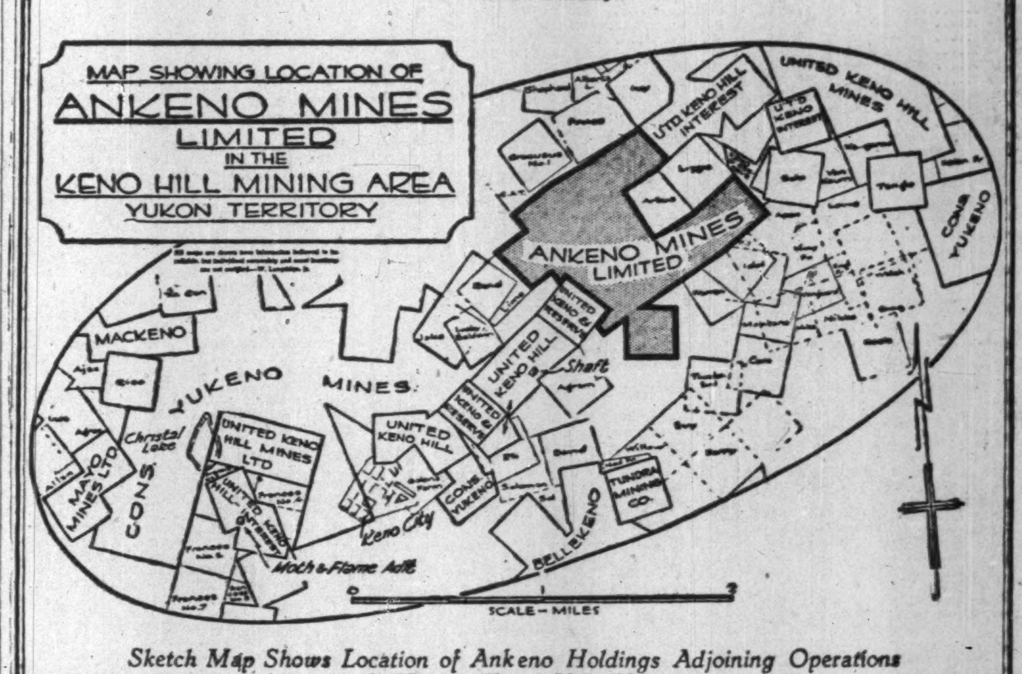

Sketch Map Shows Location of Ankeno Holdings Adjoining Operations of United Keno Hill Mines.

The Company's 12-claim, 500-acre property in the Keno Hill silver-lead-zinc area of the Yukon lies immediately between United Keno's rich reserve and Top of the Hill-Shamrock operations, where bulldozing has disclosed a zone 11 feet wide carrying high values in silver and lead over a length of 400 feet, open at both ends. Previous work on Ankeno's property between these two disclosed veins and values in the structure typically rich on these adjoining properties.

The work program recommended for the development of the Ankeno property by J. W. Powelson, Consulting Geologist, consists of the following:

(1) To undertake detailed geological and topographical mapping of the Ankeno group;

(2) To carry out a program of bulldozing to expose known veins and search for inferred veins;

(3) To gain access to previous openings on reported veins.

CAPITALIZATION

Authorized ($1.00 Par)	3,500,000 Shares
Issued	1,459,152 Shares
Remaining in Treasury	2,040,848 Shares

Shares of Ankeno Mines Limited are Listed on The Toronto Stock Exchange

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CITY & PROVINCE S/O-32

Barvue Passes Five Million Ton Mark Pershcourt Shows 40-ft. Ore Widths

By GORDON M. GRANT

A major expansion of mine-making projects is definitely indicated by two developments in the Barraute area:

1. Drilling at Barvue Mines has accomplished a marked upward revision of drill-indicated ore; the objective of 10 million tons may be not more than a month away.

2. A 40-ft. true width of ore has been established in hole No. 4 at Pershcourt Goldfields 1,350 ft. away with grade averaging 3.2% zinc and 1.44 oz. silver.

Combination of the two developments suggests a major lift for the known zinc resources of Quebec; suggests that the foundation is possibly being laid for the zinc smelter which the eastern province has so long desired.

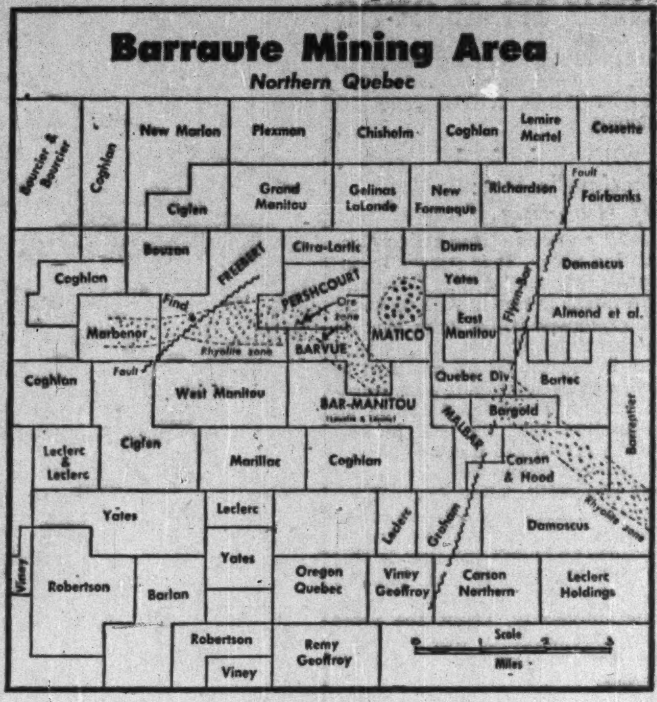
At Barvue, drilling has extended the known ore length to 700 ft., still open in both directions. A new deep drill hole, No. 15, put down to cut ore at 1,000 ft. vertical depth passed through the ore around 800 ft. vertical depth on its dip.

The full zone has averaged the extremely impressive average true width of 110 ft. Average grade now works out at 3.15% zinc and over an ounce of silver per ton.

From the above data it is now estimated that 5,600,000 tons of ore have been indicated. Low cost open pit operations are quite feasible. It would be possible to mine a smaller tonnage of higher grade ore if desired. But the present trend of evidence suggests that the objective of 10 million tons of a grade of just over 3% zinc—and an objective of a mill of 10,000 tons daily capacity—is entirely possible.

Open Both Ways

There is 1,200 ft. open on strike to the west-northwest to the Pershcourt line which is regarded as highly potential ground in view of Pershcourt's success. And the ground is wide open for a considerable distance to the southeast where the big 2,000-3,000 ft. wide rhyolite shear zone passes into Bar-Manitou.



The No. 4 hole which "clicked" on the Pershcourt is 400 ft. east of No. 2 hole which also cut light-colored rhyolite breccia carrying 2.42% zinc and 0.53 oz. silver for 60 ft. of core and a true width of 40 ft.

No. 2 hole drilled to undercut the section intersected by No. 2 returned 1.56% zinc and 0.19 oz. silver for 60 ft. of core and a true width of 40 ft. A 10-ft. section of core gave 6.67% zinc, 1.15% lead and 0.36 oz. silver; other assays are yet to come. No. 5 diamond hole 200 ft. northwest of No. 4 (and 200 ft. southeast of No. 3) is reported drilling in the ore zone.

Drilling is being expedited to determine the extent and character of the ore zone. Nos. 7 and 9 holes are being drilled at 200-ft. intervals stepping out west of No. 3 hole.

No. 8 drill hole is being drilled behind No. 4 hole 200 ft.

Vertical Hole Drilling

East of where No. 1 hole wound up slightly to the east of this drilling, a vertical hole is now drilling to cut the extension of the big shear zone at depth. This hole could be of decided significance to both the Pershcourt and Barvue properties.

Pershcourt has already been thinking in terms of a shaft and it is likely that advantage will be taken of winter weather to get this collared through the overburden. A mining plant is available and actual sinking could come quite quickly.

Frebert Mines covering the westward extension of the big rhyolite shear beyond Barvue and Pershcourt, was an early company in the area to make a strike. After putting down a hole in the vicinity of the find indicated, the drill has now been shifted to the other side of the dyke (marked "fault" on map). Two drills are being operated, one to pick up the westward extension of the Barvue-Pershcourt ore; a second to cross-section the property.

Malbar Now Drilling

Many other exploration programs are starting to get rolling. Malbar has joined with Bar-Manitou to complete a drill hole on the common boundary for assessment purposes. The drill is going. Bar-Manitou plans to get its own exploration program rolling before the winter ends.

Matico is letting a contract for 10,000 ft. of drilling and two drills are expected to be on its property within a week.

Damascus Mines is arranging its exploration program and will likely start off with a geophysical survey.

Bouzan, to the west of Freebert, plans to take a drill in right away.

Barvin Mines, a property removed to the southeast of Barvue, has a geophysical program proceeding under the direction of Koulomzine & Geoffroy, with diamond drilling to follow.

Data shown on the accompanying map have been compiled from sources believed reliable but information shown is not guaranteed.

Estella to Mill Starting June

Milling operations on a basis of 200 to 225 tons daily are scheduled to get under way next June at Estella Mines in the Kootenay district of British Columbia. Approximately $650,000 of working capital is reported on hand to further the company's program.

The Estella mine, a lead-zinc-silver operation, was reopened last May after a 20-year closure. Development is at present concentrated on running out a new crosscut from the main working level to open the downward continuity of the main Estella vein which is believed to be about 50 ft. ahead of the drive.

700 ft. of Ore

Previous operators opened the Estella vein for a 700-ft. length from the Rover tunnel 150 ft. above the present workings which gave an average of 2 oz. silver, 7% lead, and 23% zinc across 5 ft. Comparable grade has been established by a series of drill holes at the present horizon and the apparent extension of the vein beyond a fault has also been picked up.

Ore has been indicated from 50 ft. below the new tunnel to at least 60 ft. above the Rover tunnel.

Mill construction is expected to start next month, coinciding with the time when the new crosscut hits the ore. Attention is also planned for the Leader property, 40 miles to the west, where high grade ore is reported to have been shown earlier.

The concentrating plant is to be built at Wasa on the Kootenay Central Railway, ore being hauled under contract over a 16¼-mile road.

A total of $950,000 has been realized to date from sale of 1,750,000 shares. An application is stated to be before the B. C. Superintendent of Brokers for W. M. Rand & Co., Vancouver to underwrite a further 300,000 shares at $1.00.

TRANS EMPIRE OILS has been called for trading on the Toronto Stock Exchange, shares of predecessor companies—British Empire Oil Developments, East Leduc Oil, Globe Oil and Leduc-West—being removed before commencement of trading. The new company has an authorized capital of five million shares of which 1,920,009 shares have been issued.

East Sullivan Clicks at Depth

Full significance of the new copper ore strike at depth at East Sullivan Mines will probably take some time to determine, The Financial Post learns. The discovery hole, put out straight south at the 1,950-ft. level, with the mineralized zone above occurring 500 ft. from the station, returned a little better than 1.2% copper over 60 ft. plus values in gold and silver. Included was 20 ft. which ran 1.44% copper.

This represents the first exploration below the 1,950-ft. level and officials are not making any advance predictions as to the extent of the occurrences and relationship, if any, to ore bodies opened above. Work of readying new stations is not quite completed. However, when the new cable is installed in the main shaft, exploration of all new levels will start.

Plan Share Change For Lake Rowan

A share reorganization on the basis of one new share for each four issued is planned by Lake Rowan (1945) Mines and a special meeting has been called for Jan. 27, 1951, for shareholders approval.

A three-stage program recommended by General Engineering Co. to bring the property into production requires expenditures of $1 million including $400,000 for installation of a mill of 100 to 150 tons daily capacity.

Reorganization will make available 2,667,500 new shares which it is considered will provide the necessary capital to bring the company's property into production.

Proposed name of the reorganized company is Rowan Consolidated Mines.

The present company has 3,330,000 shares outstanding leaving only 170,000 unissued shares in the treasury.

Extensive work has been completed on the property in the past year, including installation of a headframe with a road constructed to the property from dock at Golden Arm of Red Lake.

WESTERN ASHLEY MINERALS has extended Jan. 5 and subsequent option installments for 60 days each.

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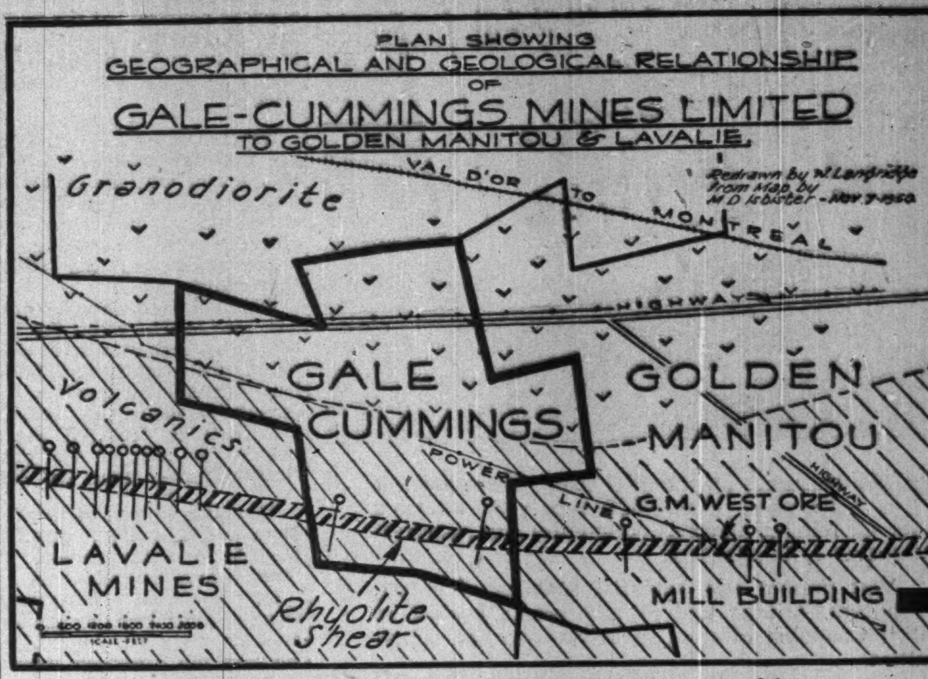
Offering — 400,000 Shares at 37½c a Share

As the company has already been paid for these shares, proceeds of this offering will not accrue to the treasury.

A comprehensive plan for exploration and development of the property has been prepared and work has already started.



The above map discloses the location of the property, lying between Golden Manitou Mines and Lavalie Mines. The East boundary of Gale Cummings group is only 2,600 feet west of the Golden Manitou west orebody in the rhyolite shear.

WORKING PLANS — The Company has placed two diamond drills on the ground, one of which will cross-section from north to south until it hits the shear zone, after which holes will be put down along it.

The second drill will test a known copper showing, about the centre of the group, just south of the power line. At this location a recent Lundberg geophysical survey indicated a strong anomaly.

ORE POSSIBILITIES — It is now known that a sheared rhyolite zone crosses the property for a length of about 2,700 feet. In this same structure Golden Manitou is mining good ore 2,600 feet to the east and Lavalie has cut ore sections to the west.

FINANCING — The Company is amply financed to carry out the large programme of work recommended to test the ore possibilities of the property.

OFFICERS AND DIRECTORS

J. J. COGHLAN	President — President of Lavalie Mines Limited
ARMAND DUMAS, M.P.	Vice-President — Surveyor and Engineer
J. L. NOBLE	Director and Secretary-Treasurer
J. I. CUMMINGS	Director — President, Quebec Manitou Mines, Vice-Pres., Golden Manitou Mines
D. L. CRAMP	Director — Director Quebec Manitou Mines
W. J. HOSKING	Director — Mining Engineer
C. O. STEE	Director — Mining Engineer

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of which 50,000 are SUBSCRIBED AND PAID
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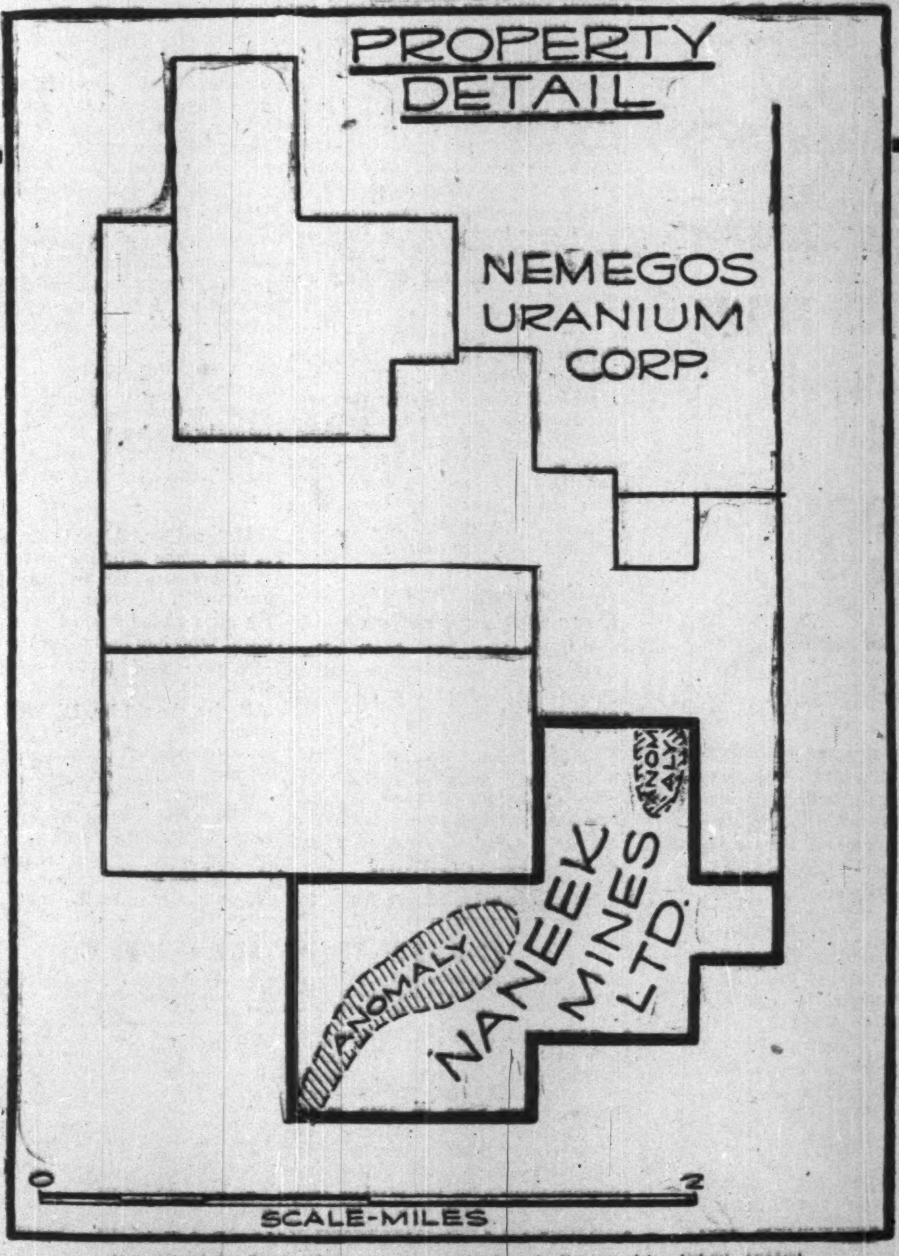
(NO PERSONAL LIABILITY)
IRON and APATITE*
GEOPHYSIC SURVEY NOW UNDER WAY

Depletion of iron ore reserves in the United States has resulted in the greatest search in history by major iron and steel companies for new sources of supply. An advantageous feature of Naneek's location is the proximity of rail and shipping facilities. The claims being about ten miles in from Chapleau, Ontario, on the main line of the C.P.R. and within easy reach of Lake Superior ore boats.

30¢ PER SHARE

KEENAN & CO WILL ACT AS PRINCIPALS IN THE SALE OF THESE SHARES



It is reported that Diamond Drilling recently completed on the Nemegos claims (private company) (see map) approximately one and one-half miles north of Naneek's property has outlined a structure 1000 feet long, 200 feet wide, and 500 feet deep.

*It indicates an ore body of twelve and one half million tons. Forty percent iron ore is currently selling for $8 a ton. Nemegos claim 53% magnetite ore.

In the opinion of competent engineer the structure extends in a south-easterly direction — this is indicated by the two anomalies turned up on Naneek's claims by dip needle survey (see map).

LIMITED PUBLIC OFFERING
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of which 50,000 are SUBSCRIBED AND PAID
NANEEK MINES LIMITED
(NO PERSONAL LIABILITY)
IRON and APATITE*
NOW UNDER WAY GEOPHYSIC SURVEY

Dip needle survey outlined two large anomalies. As recommended, a comprehensive Geophysical Survey is now under way by Gardiner and Low, the Company's Consulting Geologists. This will be followed by Diamond Drilling.

30¢ PER SHARE

KEENAN & CO WILL ACT AS PRINCIPALS IN THE SALE OF THESE SHARES

PROSPECTUS AND INFORMATION BULLETIN ON REQUEST

KEENAN and COMPANY
43 SCOTT STREET, TORONTO 1, CANADA

(PLEASE PRINT)

☐ Please send me full information on NANEEK MINES LIMITED and place my name on your list to receive your MINES & OILS COMMENTARY, without charge.

☐ Please accept my offer to purchase .... shares of NANEEK MINES LIMITED at 30c per share.

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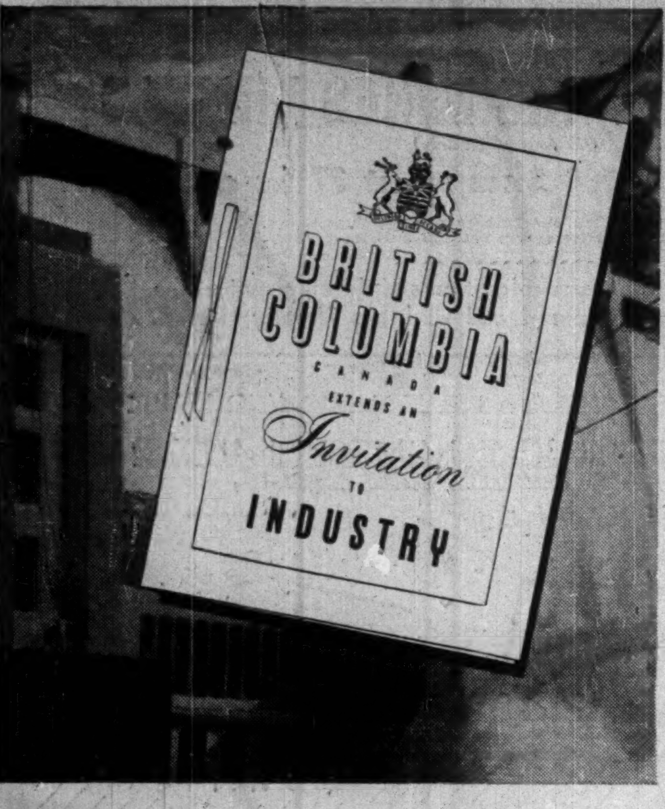

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LONDON CALLING—*By Adelphi*

British Asking Some Sharp Questions On Troop Equipment, Handling in Korea

LONDON — When people here don't wish to buy the latest newspaper to see what is happening in the Test Match, you can guess they are pretty worried. It is true that they probably have a shrewd idea of how we are doing in the cricket business without spending precious pennies, but the truth is the man in the street looks as though he had something on his mind a bit more troublesome than cricket.

• • •

We may as well face the facts. For the past week everyone has been asking why the best armed, best equipped army in the world, with tanks, air power and every other modern device, has been scattering before the Chinese Communists.

What has been worrying everyone here is that when the U. S. 8th Army withdrew from Seoul, the British Argyle and Sutherland Highlanders were still engaging the enemy, and the British 27th Brigade "covered the retreat." The rest of the United Nations forces were not there.

• • •

"That this withdrawal could not have been according to plan," says the Times correspondent, with biting irony, "is unthinkable."

Now star war correspondent George Ward Price of the Daily Mail has come right out with it. He says the American troops in Korea have been insufficiently trained for the job, have slack discipline, are encumbered with too many superfluous vehicles such as laundries and bath units, and have become too reliant upon machines (i.e. tanks and aircraft) to do the job of fighting which in the end, in spite of all the machines in the world, can only be done by men.

• • •

Well, there it is. It is, perhaps, just as well that somebody has put it into print, because it is what everyone has been whispering here. And the sooner these facts are grasped, the sooner we shall be able to cope with it all.

Nor should we think ill of the raw troops who suffered these misfortunes. The British troops have had the advantage of grueling training, some in the hard warfare of Malaya, some in the tough school of Hong-Kong. It was not to be expected that U. S. troops, coming from the easy-going life of Tokyo could quickly adapt themselves to the severe rigors of mountain warfare. Now the lesson is being learned the hard way, and this is the only way it does any good.

• • •

Can Bevin Rally European Opinion?

Meanwhile, the reaction in Europe to the Truman proposal to brand China as an aggressor before the U.N. Assembly has not been wildly enthusiastic. We in Britain will, of course, keep in step with U. S. policy, but the fact is that the other countries of Europe do not really very much care what U.N.O. has to say about China or anywhere else. Words are not going to affect the situation much; passing resolutions is not likely to worry the Chinese. The French, practical, realist, cynical, are all for keeping out of it.

• • •

Can Foreign Secretary Mr. Ernest Bevin rally European opinion? He cannot. Ailing, ageing Mr. Bevin, grey-visaged, was tired before all this business began. He needs a long rest. Formerly a big burly man, he has shrunk inside so that his skin is now too big for him, like a loose bag. It's time for him to start taking that rest right now.

• • •

Railwaymen Protest Over Nationalization

Nevertheless, we don't allow these grave troubles abroad to get in the way of our mournful pleasures at home.

We are still pressing forward with steel nationalization and other New Year festivities, in spite of a doleful bleat for last minute reconsideration from Mr. Harold Macmillan, Tory M.P. and former Cabinet Minister.

• • •

This in itself is true to form, for

PHILIP A. WAIT

formerly vice-president of the Thomson Electrical Works Ltd., Montreal, has been elected president.

Mr. Macmillan, though but 56 years of age, has the fading aroma of the generation before the last about him. He is the essence of Edwardianism. At all modernity, particularly anything which reeks of Socialism, he reacts characteristically. With a little flutter of the hand, eyes shut and head turned away, he waves it aside like some elderly lady unexpectedly faced with an obscenity.

But he is no faint-heart. Sometimes he crusades in the van of the new Toryism. Then he ceases in the role of the elderly lady. He becomes instead the exponent of daring novelty and sallies forth, vaguely reminiscent of pictures in the old editions of "Punch" of an Edwardian gentleman adventuring on his first motor drive.

• • •

How right he is to keep up the battle against nationalization. For see what is happening now. Years ago, men on the railways used to strike to secure nationalization. Now they have it. Today as I write 1,000 goods porters are on strike at London's St. Pancras Station, main line terminus for the North. What are they protesting against? Nationalization. I'm not joking, it's a fact.

Under this system, road and rail traffic are co-ordinated in one State corporation. The rail men are handling goods formerly carried by road; the road men are afraid they will lose their jobs so they have asked their mates to refuse the goods. Their mates are now obliging.

• • •

This is a situation which will call for some tact from Mr. George Isaacs, Minister of Labor. This former printers' trade union leader, who looks like a half-pint Pickwick, always hopes for the best, is generally disappointed but remains unperturbed at his own lack of foresight.

When events overtake him he has an uncanny knack of pretending that that was just what he was expecting. I have no doubt that, having for years campaigned for nationalization, now that he finds men striking against one of its necessary implications he will turn round with his merry twinkle in his eye, his genial grin, and say "There, what did I tell you?" And get away with it.

• • •

Not so Mr. Alfred Barnes. He is the other Minister involved in this because he is Minister of Transport. His grin is just vacant. He goes blithely on, like a happy child who has had a lovely dream and has awakened to find it is all true.

So he should be. His dream for years was that one day he would no longer be an unimportant lowly paid official in the Co-operative movement and would have £5,000 a year. Now he has got it and he is happy. And he doesn't awfully mind about nationalization because the Co-ops are not really so hot on this. If it goes too far it will start running up against the Co-op's retail trade. Mr. Barnes thinks it has gone far enough.

• • •

Scotland's Way Of Honoring Heroes?

Still no news of the stolen Coronation Stone. It is generally assumed that the Scottish Covenant movement is not hostile to those who removed it. Dr. John McCormack, Chief Covenanter, would like to see the Stone returned to Scotland by legitimate and peaceful means. There is, of course, no suggestion that he was in any way privy to the theft.

Now his fellow Scots have pelted him with rotten eggs, flour, tomatoes and other offensive missiles. Was this because he had or because he hadn't any part in this affair? Neither. It was because he was appointed Rector of Glasgow University. Truly, the Scots have a remarkable way of showing their appreciation of their heroes.

• • •

Here in London this form of attack used to be reserved for bad comedians and good politicians. Now that it is impossible to distinguish between these two, the custom has died out except for the eggs. These are thrown to the housewife by the grocer from time to time.

• • •

Some Are Ready For Bacon Deal

Talking of eggs we are sorry that your Minister of Agriculture Mr. Gardiner has not so far been able to do a deal with us to supply bacon. But we don't blame him. We blame our own Mr. Maurice Webb, Minister of Food. He persists in this bulk-buying of foodstuffs and makes trade an intergovernmental affair.

What nonsense it all is. We know several gentlemen here who would have no difficulty at all in doing a bacon deal in Canada. They are just ordinary fellows who have been doing it all their lives. So of course they are not now allowed to. Hence no business. Our Mr. Webb, who has never been in any business all his life, knows best. "Oh what a tangled Webb we weave. . ."

(Bacon or somebody).

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

ONTARIO STEEL PRODUCTS CO. net profit for the year ended Sept. 30, 1950 amounted to $729,808. It earned $853,748 in the 15-month period ended Sept. 30, 1949. If the results for the 15-month period are reduced to an average 12-month period, net profit for 1950 shows some improvement over the present year, President H. M. Jaquays points out.

During the year, requirements of Canadian automobile manufacturers have been at record levels, while products manufactured for other customers have also been in good demand, resulting in record output. Facilities have been further expanded, expenditures on fixed assets totaling $542,957.

Most of the expansion has been in the Chatham division, where floor area was increased approximately 33%. Other alterations, additions and improvements at Chatham include: a new two-story plating building, steam generating plant, extension to bumper building, and three new presses in bumper division.

At Oshawa, new heating furnace for manufacture of coil springs put into operation, a shot blasting machine installed and a centreless grinder is on order.

At Gananoque, a new draw furnace for spring department is being installed and various tools and equipment have been ordered for axle finishing department.

INCOME ACCOUNT

	Year ended Sept. 30 1950	15 Mos. ended Sept. 30 1949
Net earnings	$1,446,087	$1,610,782
Less: Deprec.	202,763	165,303
Trust note int.	15,691	25,773
Inc. tax res.	500,000	555,000
Loss asset sale, net	*967	12,975
Contingency res.	......	200,000
Add: Invest. prof.	1,208	2,017
Net profit	729,808	853,748
Less: Pref. divds.	25,221	31,526
Common divds.	193,760	108,990
Surplus for year	510,827	513,232

*Profit.

Earnings per Share and Dividend Record:

Preferred	$202.56	†$181.45
Paid	7.00	†8.75
Common	14.55	†12.85
Paid	3.00 + 1.00	†1.50 + 0.75

†For 15 month period.

CONDENSED BALANCE SHEET

As at Sept. 30	1950	1949
Cash	$69,570	$357,922
Accts. rec.	1,178,258	1,003,631
Inventories	1,325,980	1,011,748
Total curr. assts	2,573,808	2,373,301
Mkt. securities†	‡89,500	‡89,500
Prepaid expens.§	18,437	30,472
Misc. assets▲	157,615	223,656
Fixed assets*	1,789,369	1,461,039
Total assets	4,628,729	4,177,968
Accts. & tax. pay.	717,797	634,084
Divds. pay.	54,745	30,525
Notes due	75,000	75,000
Total curr. liab.	847,542	739,609
Notes pay	375,000	543,000
Conting. res.	280,000	280,000
Capital stock	1,203,360	1,203,360
Earned surplus	1,922,827	1,411,999
*After depr. of	1,117,527	921,817
▲Incl. ref. EPT	49,242	111,971
†Market value	159,761	176,485

‡Assigned against collateral trust notes.
§Included in curr. assets in co's report.

Working capital	1,726,266	1,633,692

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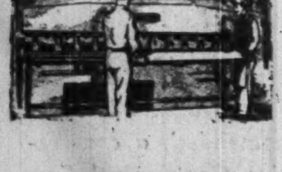

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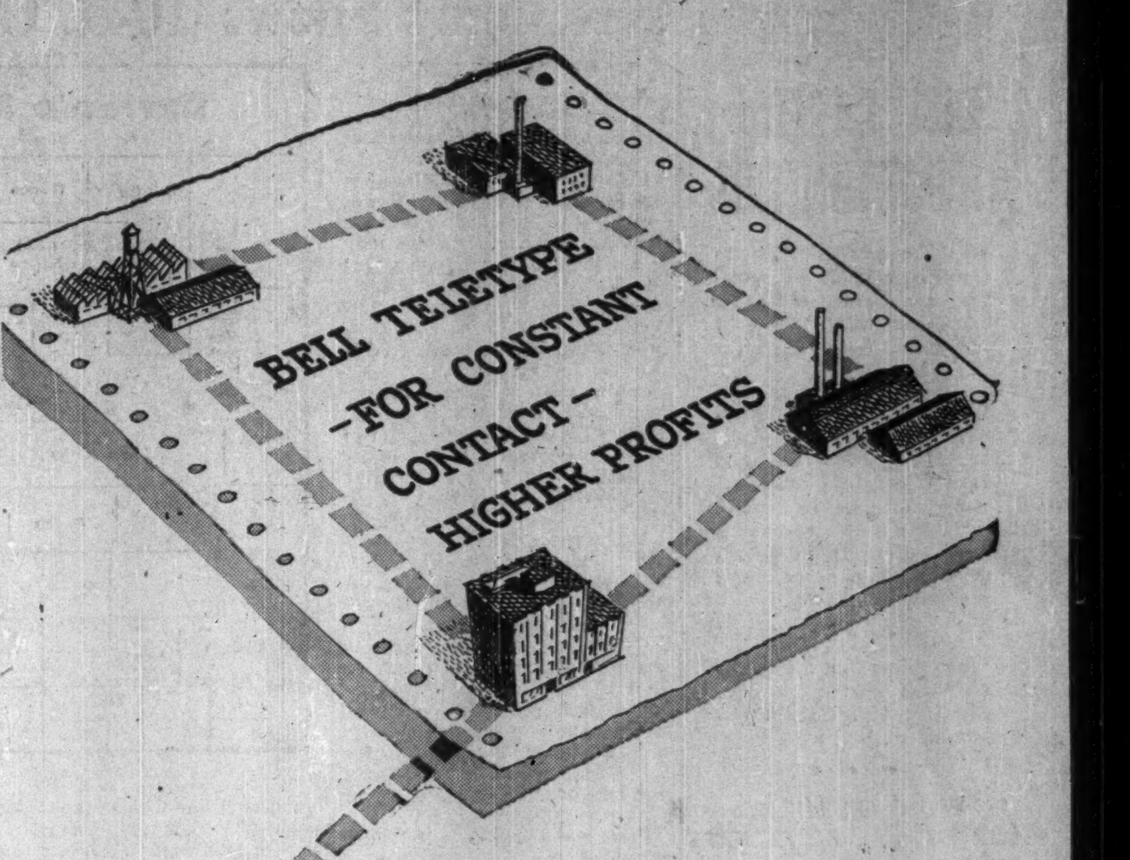

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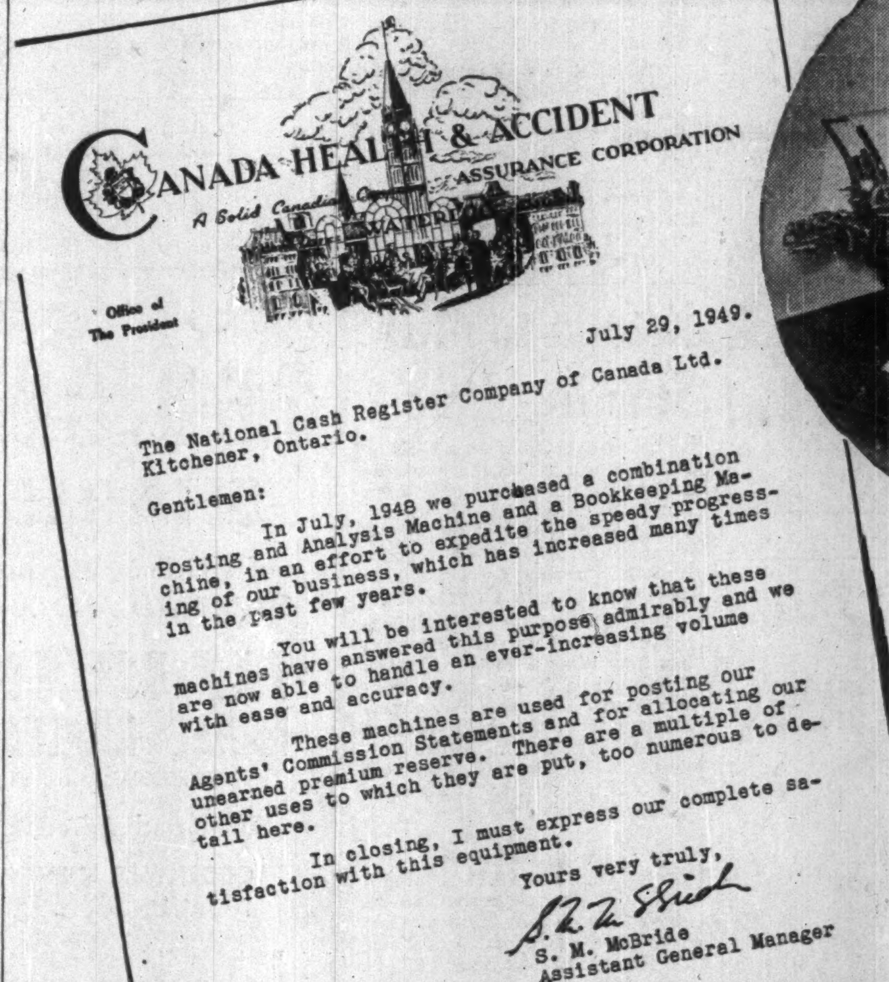


CANADA HEALTH & ACCIDENT ASSURANCE CORPORATION
A Solid Canadian Company
WATERLOO

Office of The President

July 29, 1949.

The National Cash Register Company of Canada Ltd.
Kitchener, Ontario.

Gentlemen:

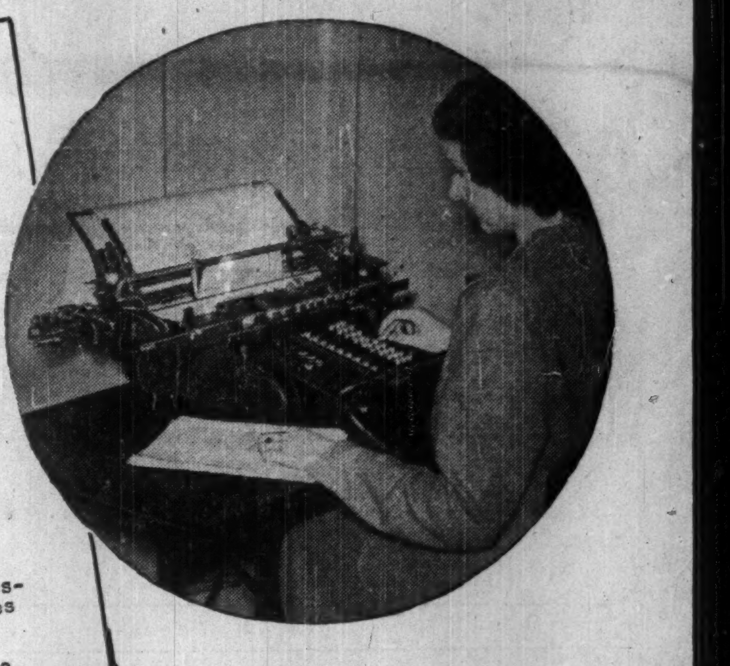
In July, 1948 we purchased a combination Posting and Analysis Machine and a Bookkeeping Machine, in an effort to expedite the speedy progressing of our business, which has increased many times in the past few years.

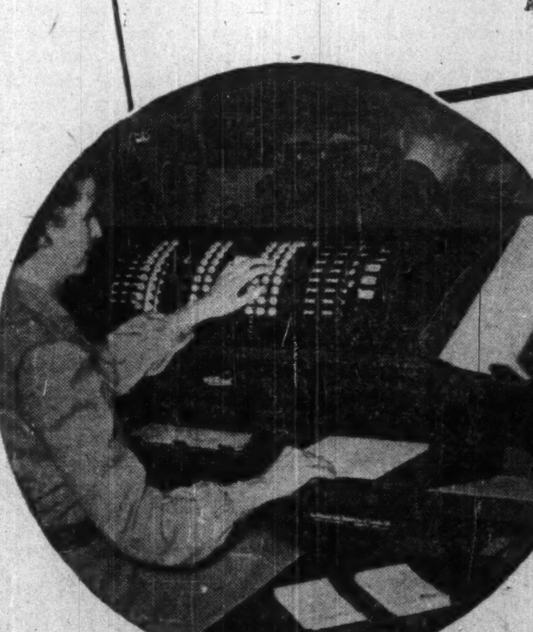
You will be interested to know that these machines have answered this purpose admirably and we are now able to handle an ever-increasing volume with ease and accuracy.

These machines are used for posting our Agents' Commission Statements and for allocating our unearned premium reserve. There are a multiple of other uses to which they are put, too numerous to detail here.

In closing, I must express our complete satisfaction with this equipment.

Yours very truly,
S. M. McBride
S. M. McBride
Assistant General Manager





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says: **CANADA HEALTH & ACCIDENT ASSURANCE CORPORATION**
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